Budget of the Governor-General of India,

1923-24 to 1926-27

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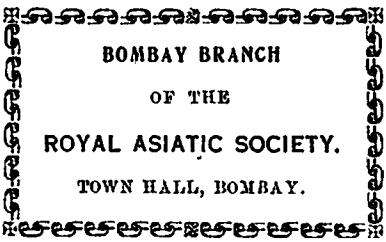

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EAST INDIA (BUDGET).

BUDGET

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OF THE

GOVERNOR GENERAL OF INDIA IN COUNCIL FOR 1923-24.

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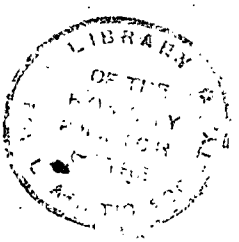
GOVERNMENT OF INDIA

FINANCE DEPARTMENT

BUDGET FOR 1923-24



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1923

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

BUDGET FOR 1923-24.

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Speech of the Finance Member

introducing the

Budget for 1923-24.

INTRODUCTORY.

MR. PRESIDENT,

In rising to-day to present the budget statement for 1923-24, I claim, and I know I shall receive, the privileges of a new-comer and a new Member. It is a great privilege for me thus to be able to fulfil an old dream of returning to the land of my birth to serve India as so many of my ancestors have done. But two months is a very insufficient time for the task of preparing to present a budget to this House. I am, however, in many ways fortunate. First and foremost, I have the devoted services of the Finance Department under the Honourable Mr. Cook. Without their help there would have been no budget. I am the inheritor of the fruits of three years of hard labour of my friend Sir Malcolm Hailey. If there is a gleam of light in the budget which I am about to present, it is his doing. The fruit is the fruit of seed which he had sown, and I am reaping where he has ploughed. I am afraid that he had to put up with much inclement weather, with storms and rumours of storms, but if there is promise of harvest to-day, the credit is to him. For nothing perhaps am I more indebted to him than for his share in the credit of securing the appointment of the strong and able Retrenchment Committee, which has been so well presided over by Lord Inchcape. Possibly the most interesting part of the papers which I am laying on the table to-day and in the next few days in connection with the budget will be the report of the Inchcape Committee. Lord Inchcape shocked my modesty a few days ago by describing himself as my forerunner. He and his colleagues can perhaps be more aptly compared to the burly forwards in the American game of football on whom falls the duty of charging ahead of the man with the ball and beating down, with all permissible violence, any opponent who threatens to check his progress. Whatever views individual Members may take of this or that recommendation for retrenchment made by the Committee,—and I never heard any recommendation for retrenchment anywhere, except the stopping of the salary of the Finance Member, which was really popular,—I know the whole House will be unanimous in joining with me in expressing our heartfelt gratitude to the Committee for their devoted work, and, as I think I may promise, for their remarkable success in what is the most ungrateful of all ungrateful tasks.

2. Mr. President, my first duty to-day is to lay before this House the figures of the outturn, or rather the probable outturn, of the year 1922-23. Since I came to India, I have much envied the position of the British Chancellor of the Exchequer who, in presenting his budget, is always able to give accurate figures for the year which, under the British system, has just closed and not, as under the Indian system, is about to close. He is not confronted, as I am, with the necessity of making what is after all only a second guess on the basis of the first nine or ten months' experience of what the real figures are for the year preceding the year to which the budget which he is presenting relates. When I have laid before

the House the figures for 1922-23, I hope to make a short review of the general financial position of India at the close of 1922-23, that is, the position as it presented itself to a new-comer as I am. It will then be my task to proceed with my proper function to-day—the presentation of the budget for 1923-24.

II.—Review of the year 1922-23.

Deficit as now estimated.

3. The budget estimates of the current year as finally passed provided for a deficit of 9·16 crores, the estimated revenue (including new taxation and increased postage and railway rates expected to yield 18¾ crores), being 133·23 crores, and the expenditure 142·39 crores. There is a saving of 4·14 crores on expenditure, but revenue will be 12·48 crores less than the estimate, so that as now revised the estimates point to a deficit this year of 17½ crores.

Revenue.

Trade conditions.

4. Our revenue estimates were not based on a hope of any marked or striking revival in trade, although we certainly expected some slight improvement on the general trade conditions of the previous year. On the whole, this anticipation has been justified. There was considerable stagnation during the earlier part of the summer, but, except perhaps in the cotton mill industry in Bombay, the general feeling prevailing in the business community has for some months been one of mild optimism. Considering the impoverishment of many of our former customers, our exports have undoubtedly shown a promising recovery, and, so far as merchandise alone is concerned, the balance of trade in favour of India during the first ten months of the financial year has been 62 crores which contrasts with an adverse balance of 29½ crores in the corresponding ten months of the preceding year. As against this, there has been a substantial net import of bullion in the current year, but after including the bullion figures there still remains a net balance of 20 crores in favour of India instead of an adverse balance of 33 crores in the first ten months of last year.

Customs.

5. Under Customs we budgeted for a total net revenue of 45½ crores, of which 9 crores was expected to accrue from the enhancement of duties imposed in the Finance Act of March last. We now expect a Customs revenue which will be some 3 crores short of the figure budgeted for. The most uncertain, and at the same time one of the most important factors affecting our revenue is the import of sugar, which in the previous year had yielded us the unprecedentedly large figure of 6½ crores at the old rate of duty of 15 per cent. For the current year we did not anticipate the continuance of such abnormally large imports, but expected, on the increased duty of 25 per cent., to realise about 6¼ crores. The figures of imports vary in a very erratic way from month to month which makes estimating difficult; recently, owing to a large drop in prices, imports were held up in order to get the benefit of the revised tariff valuation which came into force from the 1st January. We expect, therefore, large imports in the last 3 months of the year though the effect of this will be counterbalanced by the duty being calculated on a lower valuation. On the whole, we expect that the revenue from sugar will be less by 1½ crores than the budget figure. The excise duty on cotton manufactures will also bring us in substantially less than we expected; owing to the high price of cotton and a fall in the price of cotton cloth in the internal markets, there has

recently been a reduced output from the mills, and we expect to be about 60 lakhs down under this head As regards the other tariff heads, it is probable that there will be some deficiency in the revenue from liquors, matches, machinery, cutlery and other manufactured articles, but any losses here should be nearly counterbalanced by increased revenue from import duties on cotton piece-goods (which may give us 96 lakhs more than our estimated revenue of 5,60 lakhs), iron and steel and other metals, while the new excise duty on kerosene is likely to bring us in 89 lakhs as against 40 lakhs budgeted for.

6. Before leaving the subject of Customs, I must refer briefly to a matter which has attracted some public attention during the year, namely, our revenue from the so-called "luxury" articles, which are assessed to duty at 30 per cent. Honourable Members will have seen from time to time various articles in the press, the object of which was to show that this high rate of duty has very seriously affected the trades concerned, and it was implied, if it was not asserted, that a lower rate of duty would have brought in more revenue. These contentions are scarcely borne out by the facts. In the current year we budgeted for a return of 2,84 lakhs from the 30 per cent. duty; we actually expect to receive only 11 lakhs less in spite of a considerable fall in prices. The principal articles included in the 30 per cent. schedule are motor cars, silk manufactures, glass bangles and beads, and tyres and tubes. Except in the case of silk manufactures, the quantities imported during the first nine months of the current year have been in excess of those imported in the corresponding period of the preceding year. Nearly twice as many motor cars have been imported; and if the value of the cars imported has fallen considerably, this is due partly to the general fall in world prices and partly to the fact that people have been importing the cheaper American car in preference to the more expensive English car. I doubt very much if the duty has had much to do with this substitution. The conclusion is that there is certainly no case at present for any alteration of the schedule.

Railways.

7. As Honourable Members will have seen from the published returns, our traffic receipts from railways have been disappointing. The increase in passenger fares was expected to add some 6 crores to the receipts. Traffic, both passenger and goods, especially the latter, has, however, fallen off, and as against the estimated gross traffic receipts of 99½ crores, we do not expect to get more than 92, the small improvement over the gross earnings of last year being mainly due to the increased passenger fares. On the other hand, we expect a saving of 2¼ crores on that portion of the expenditure on replacements and renewals which is debitable to revenue, counterbalanced by an excess of about 1 crore in ordinary working expenses. Altogether our net railway revenue is likely to be down by 5¾ crores. Taking into account interest charges, I am sorry to say that the final result for the general tax-payer will be that there will again be no profit from railways, but a loss of about a crore.

Posts and Telegraphs.

8. The effect of the new postal rates, during the first few months of the financial year, was to reduce correspondence, but there have since been signs of recovery, and the public are now gradually getting used to the higher postal charges. For the present, however, I think we must anticipate a diminution of 1,06 lakhs in our anticipated receipts in 1922-23. There is a small saving in working expenses, and after debiting interest,

the department will probably prove to have been running at a profit of about 24 lakhs.

Income-tax.

9. We expected large arrear income-tax collections, but after the beginning of the year it became evident, not only that the allowances that we should have to make for bad debts, etc., would be large, but also that our revenue was to be seriously affected by heavy refunds which have had to be made in Calcutta as a result of the adjustment system in force under the former Act; fortunately this will, under the new Act, not disturb our estimates again. I understand that in Calcutta companies have in many cases actually received a cheque from the income-tax authorities instead of paying any tax to Government, and the net receipts in Bengal are not expected to be more than 3¼ crores. The collections have been good in the other provinces, particularly in Bombay, though the lower profits which the cotton mills have recently been making will, I fear, affect our revenue from that city in 1923-24. Altogether, we expect a total deterioration of 3½ crores.

Opium and Salt.

10. As regards other heads, I need only say that we expect to get 89 lakhs more from opium than we anticipated, and there will probably be some slight improvement—7 lakhs or so—under salt.

Expenditure.

Interest.

11. On the expenditure side, there will be a substantial saving of about 1.86 lakhs in our budget provision for interest on debt. Our rupee and sterling borrowings have been larger than we budgeted for, but a full half year's interest in respect of the greater part of these does not fall due till next year; the success of our borrowings has, moreover, enabled us to fund a substantial portion of our floating debt, and the payment of interest made for short periods this year on our new loans is less than that which would have been payable for the replacement of the treasury bills discharged.

Other Civil expenditure.

The House will recollect that a special provision of 60 lakhs was entered in the Civil estimates as part of the expenditure in Waziristan (under the head " Political "). We now anticipate that there will be a saving of nearly 35 lakhs therein, owing to a part of the expenditure being thrown forward to next year. There will also be a saving of ¾ crore in other civil expenditure, mainly as the result of retrenchments carried out during the year.

Exchange.

The average rate of Exchange for which we budgeted was 1*s*. 4*d*. We expect no appreciable deviation from the budget under this head.

Change in method of accounting.

12. Before dealing with military expenditure, I must explain briefly a change which has been made in the method of showing the figures; it affects all the non-commercial heads but is most marked in the case of the military portion of the accounts. Our practice in the last two years in distributing exchange adjustments has been to show them against the individual heads of account in so far as the commercial services were concerned, and to lump the entries under one head " Exchange " in respect of the remaining heads. This method would answer well enough if the difference between the statutory rate (2 shillings to the rupee) and the

actual rate was fairly small; but it gives our figures a misleading appearance when the difference between the two rates is as large as has been the case during the past two years. It was not at all surprising, therefore, that serious objection was taken to this procedure in the course of the discussion of the budget in both Houses last year, on the ground that it had the effect, on the surface, of largely understating the actual expenditure incurred on military services. It has now been decided to distribute the exchange adjustments between the individual heads in all future accounts and estimates. The figures of military expenditure which I shall give this morning have accordingly been arrived at after converting sterling into rupees at the rate of 1*s.* 4*d.*

Military expenditure.

13. The Budget provided 65·10 crores for the established charges of the Army, 2·13 crores for Waziristan expenditure and 52 lakhs for demobilisation charges, making a total of 67·75 crores. In regard to the Waziristan expenditure my predecessor stated that the figure could be regarded as tentative only, since it is always difficult to forecast the exact effect of military operations of this nature. His apprehension has unhappily proved correct and Waziristan expenditure in 1922-23 is now estimated at 3·85 crores. Demobilisation charges will amount to 2·8 crores owing to unexpected progress with the discharge of surplus officers and to a claim from the War Office for the cost of demobilisation of British troops which had become surplus on the reduction of Indian establishments. On the other hand, the established charges will now amount to only 60½ crores, owing to a continued shortage of British troops, fall in prices and a variety of other causes. A careful control has been maintained over these charges; and savings in Budget grants have not been allowed to be re-appropriated for new measures involving a permanent liability of any considerable magnitude, though a small portion had to be made available to meet initial expenditure on equipment the purchase of which could not be further postponed. In spite therefore of the excess expenditure of 1,72 lakhs in Waziristan, we have been able to effect a saving of 46 lakhs in the budget grant for Military expenditure.

Summary of variations.

14. These variations in revenue and expenditure are summarised below:—

	(In lakhs of rupees) (+ better,	—worse).
(i) Customs revenue, less	...	3,12
(ii) Income-tax revenue, less	...	3,42
(iii) Opium and Salt revenue, more	96	...
(iv) Net revenue from Railways, less	...	5,86
(v) Net revenue from Posts and Telegraphs, less	...	94
(vi) Interest and Currency receipts, more	51	
(vii) Saving in provision for Interest on debt	1,86	
(viii) Saving in Military expenditure (net)	46	...
(ix) Saving in Civil expenditure (including Political expenditure in Waziristan) and other items	1,21	...
	5,00	13,34
Deficit as budgeted for		—8,34
Deficit according to present estimate		—9,16
		—17,50

III.—Position of Indian Finances at the close of 1922-23.

Succession of Deficits.

15. Before I proceed to present the budget for 1923-24, I should like, with the permission of the House, to make a short survey of the financial position of India at the present time, and to attempt to give the House a new-comer's first impressions, or as Mr. Punch would say, first depressions. I am afraid that much of what I say may sound rather superficial, and that I shall be open to the charge of doing what has been done before by more than one globe trotter who, after spending a few weeks in the country, sets to and writes a book about India. One of the many books about India which I brought with me to read on boardship on my way out was a volume entitled "The Moral and Material Progress Report". I was rather shocked by the odd assumption in the title that there had necessarily been progress. When I came to look into the finances of India for the last few years, I was tempted to wonder whether it was not rather a rake's progress. For five years in succession, India has had a deficit. The accumulated total of these deficits amounts to no less than 100 crores, and this in spite of the fact that in the last two budgets additional taxation has been imposed estimated to bring in about 28 crores during the year 1922-23. Even this is not the whole story. Apart from our revenue deficits, we have spent many crores on unproductive purposes, the expenditure on which is classed as capital expenditure. New Delhi is the most obvious example. I can see no justification, other than sheer necessity, for not treating this expenditure as chargeable against revenue, and in any case it ought to be repaid out of revenue at an early date. Moreover, besides the deficit of the Central Government, the recurring deficits of the provincial Governments and of many local bodies throughout India must not be forgotten.

Their Danger.

16. I ask the House to pause a moment and consider what these deficits mean. Unfortunately, we are accustomed in these days all over the world to budget deficits, and familiarity breeds contempt in spite of the fact that more than one awful example is before us among the nations of Europe of the chaos which continued budget deficits inevitably induce. The individual who lives beyond his income year by year does not escape the penalty and the same is true of a State. The individual who makes this mistake quickly finds himself compelled to consent to a ruthless cutting down of his expenditure or is driven either to sell or to mortgage a part or the whole of his possessions; or, in the worst event, to cheat his creditors. A State is in the same position, but the position is frequently obscured by the fact that the State's creditors are in another capacity the citizens of the State and its taxpayers. And the State which is driven to cheat its creditors does not always realise what it is doing although its unsound methods are adopted at the expense not only of the wealth and happiness of its own citizens, but also at considerable risk to social order within its borders. Much of the present unrest in the world is due to the way in which States in all parts of the world have cheated their creditors by unsound currency manipulation and the creation of paper money with no real assets behind it.

Inflation and Floating Debt.

17. India has not entirely escaped the evils of taxation through inflation, but as compared with many other countries she has come off well. Out of the total deficit of 100 crores during the last five years, it is estimated that 31 crores have been covered by the creation of paper money, representing nothing but the I. O. U.'s of the Government of India. The remainder amounting to 69

crores has been raised by borrowing. Moreover to the extent of 22 crores the borrowing has thus far taken the form of issues of Treasury Bills to the public. It is true that, owing to special conditions during 1922-23, we were able to reduce our Treasury Bills by 32 crores, in spite of the deficit, out of the proceeds of long term loans. Still, 22 crores of Treasury Bills in a country like India is far too large an amount to have outstanding. A large volume of Treasury Bills is an evil even in England, where the condition of the money market is such that it is always possible to renew maturing bills by offering a competitive rate, but in India conditions might easily arise under which even an impossibly high rate would be insufficient, and in that case the Government of India would be driven back to replacing the Treasury Bills by paper currency, *i.e.*, would be driven to taxation by inflation.

Maturing Debt.

18. In this connection, a word may be said about our early maturing debt. We have to find the means of meeting bonds during the next three or four years to the extent of 5½ crores in 1923, 3¾ crores in 1925, and nearly 38 crores in 1926. These amounts, too, have to be competed for against other demands on the market, and may be said, in part at any rate, to be one of the outcomes of the deficits for the last few years.

Increased Interest charge.

19. But the deficits of 100 crores can be looked at from another point of view, when again their evil effects are prominent. In the budget for 1923-24, the charge for interest would be at least 5½ crores less had it not been for these accumulated deficits. This extra 5½ crores has to be met either by reducing expenditure, possibly by reducing desirable expenditure, or by raising new taxation, or at best by maintaining existing taxes which could otherwise be reduced.

Effect on India's credit and handicap to her development.

20. *Moreover the continued deficits are threatening to impair India's* credit in the market both at home and abroad, and increasing the cost of borrowing whether for covering the deficits or for new capital expenditure. India is a country where, as it seems to me, there is an almost unlimited field for new capital expenditure on new development. At the last Assembly of the League of Nations at Geneva, India established her claim to be one of the eight premier industrial States of the world. Every one admits, however, that India is only at the beginning of her industrial development, and it is out of her capital resources, *i.e.*, out of her accumulated savings and her new savings, that the capital to develop India industrially must be found. We have borrowed all that we could borrow in India and in England during the last few years for capital expenditure purposes, and we have undertaken a minimum programme of 30 crores a year for capital expenditure on Railways. I wish it could be more. So far as I can judge at the present time, the amount which might usefully be spent on profitable development of transportation in India is limited mainly by the possibilities of finding capital resources. Yet we have spent 100 crores out of capital in the last five years in financing deficits, thereby diminishing to a corresponding extent the resources available for developing India. Let us make no mistake about it. If recourse to inflation is ruled out, if it is agreed that the concealed method of taxation by inflation is the worst of all methods, the money to meet the annual expenditure of India, whether on capital or on revenue account, must come out of the savings of the country. The only exception, which is not a real exception, to this statement is that some of the capital may be borrowed abroad, and it has of course been a commonplace of the history of the last century that capital has been found by the older industrial countries of the world for the development of new-comers in the field, to the

great advantage both of the borrower and of the lender. But the amount that India can borrow abroad is limited both by the amount available abroad, which in the present condition of the world may prove a comparatively small amount for some time to come, and by the capacity of the borrower to meet the annual charges for interest. These annual charges for interest are in effect a claim on the future resources of India and ultimately come out of the same pocket as the money required to meet the rest of India's expenditure, *i.e.*, out of the savings of the people. To sum up, the deficits of the last few years have brought in their train a certain amount of taxation by inflation, a heavy annual charge on the present and future budgets of India, a deterioration in India's credit, an increase in the cost of borrowing, and a depletion of the resources available for desirable capital development.

Necessity for stimulating habit of Investment.

21. Perhaps I may be allowed to digress at this moment to touch on a subject in which I have always taken very great interest. Every one who has studied the subject agrees that a wonderful era of prosperity would be ahead of India if the habit of investment could be stimulated, if investment in India became anything like as general a practice as it is in such countries as England and France. It is true that much has been done in recent years. The rupee loans of the last few years have been unprecedented in amount. But much remains to be done if the Indian people are to form the habit of investing their talents in reproductive enterprises rather than wrapping them up in a napkin, and perhaps I should also add, if some of them could learn to be content with sound and steady returns on the money they invest instead of looking for impossibly high dividends.

22. I have been making some inquiries as to the progress of the Post Office Cash Certificates. I was an original member of the National Savings Committee appointed in England at the beginning of 1916 largely through the efforts of Mr. Montagu and was privileged to take a part in what is widely regarded in England as a most extraordinarily successful movement. The change from thriftlessness to thrifty habits which has taken place among many sections of the English people has been described as a revolution. National Savings Certificates to the value of nearly £360 millions are now held by the small investor in the United Kingdom. When I contrast the sales of the Post Office Cash Certificates, which were not inconsiderable during the war when they were first started but have since declined, I cannot help thinking that there must be great possibilities of development in this system. What a great improvement in our financial outlook would result if by development of the Post Office Cash Certificate system a considerable part, if not the whole, of the money required for provincial capital expenditure could be found out of the proceeds of Cash Certificates! It is my earnest hope that before long means may be found for taking up this subject in earnest. It is a subject in which above all others, if we are to succeed, non-official effort must be enlisted to second governmental action.

Growth of Unproductive Debt.

23. As the results of the deficits of the last few years and of the war, India's debt has grown from a total of 4,11 crores on the 31st March 1914 to an estimated total of 7,81 crores on the 31st March 1923. This figure includes the floating debt and the early maturing debt of which I have already spoken, but it excludes no less than 63 crores of obligations which it is I find the practice to treat separately from the debt of India, though as far as I can see these obligations are just as much a part of India's debt as the rest. Taking, however, the figure of 7,81 crores which I have given of the total debt of India on the 31st March 1923, we find that 5,57

crores is classed as productive and 2,24 crores as ordinary or unproductive debt. The proportion of productive to unproductive debt is one which naturally looks strikingly good to any one who thinks of Great Britain's figure of £7,500 millions of debt, all of which has gone in powder and shot. But this comparison must not blind us to the fact that since the 31st March 1914 the total debt has increased by 3,70 crores and the unproductive debt by 2,27 crores, and we must not forget that the yield on that part of our productive debt which is invested in railways has not been sufficient in the last two years to meet the interest charges.

24. The debt, again, has to be divided between rupee debt and sterling debt. The rupee debt has risen since the 31st March 1914 from 1,46 crores to 4,21 crores and the sterling debt has risen from £177 millions to £240 millions in the same period. The sterling debt of £240 millions represents a claim on India's production of goods and services in the future up to the value of the principal together with a further claim on those goods and services for interest during the interval until the principal is paid off.

Currency and Exchange.

25. This question of the sterling debt brings me by a natural transition to a new subject, which is certainly not the last one to be brought to the attention of an incoming Finance Member—I mean the question of currency and exchange. Now, it is no good crying over spilt milk, and I do not think the House will expect me to delve deeply into the history of Indian currency during recent years. It is easy to be wise after the event. There were some wise men, however, even in 1919-20, who held that the right course at that time would have been to adopt a waiting policy, and I am convinced that, for the moment at any rate, a waiting policy is still the *right policy*. What was it that upset the equilibrium of the rupee-sterling exchange which had been so painfully stabilised at 1*s*. 4*d*. at about the end of the 19th century? Primarily of course it was the Great War and the adoption of inflationary methods by all the belligerent countries. Whatever system of currency had been in force in India during the Great War, it would have been profoundly disturbed by the events of 1914-18. In so far as India had a choice and was not swept along in the maelstrom of world events, India's choice was necessarily between an attempt to keep the exchange value of the rupee more or less stable and an attempt to keep rupee prices more or less stable. As a matter of fact, India's first choice was the former, and for some time the rupee remained at or about 1*s*. 4*d*., but then the rise in the price of silver, which occurred as the natural consequence of the fall in the purchasing power of gold, introduced a new complication. It is impossible over a long period to keep a coin in circulation which is worth more as bullion than it is as current coin. Once the traditional figure of 1*s*. 4*d*. for the rupee was departed from nothing remained stable, though in comparison with the rest of the world Indian prices up till 1920 remained relatively stable in terms of gold. Thus, it was essentially the rise in the price of silver which upset the Indian currency system. I need say no more of the attempt that was made to stabilise the rupee at a new, or rather at the old, fixed rate of 2 shillings gold in 1920 except that it failed. Looking back, we are able to say that the attempt was an almost impossible one with all the exchanges of the world out of gear, with world prices moving up and then down with unexampled rapidity, and with relative prices as between one commodity and another fluctuating in an unheard-of manner. Can we say that the position to-day is such that an attempt to give the rupee a fixed value, whether at 1*s*. 4*d*. or any other rate, in terms of gold, or in terms of some

other currency, is much more likely to succeed than it was in 1920? I think not. The French are in the Ruhr; the whole of Continental Europe is faced with the threat of impending chaos; throughout the world prices are unstable; sterling has approached close to par with gold but it is not yet at par; and even if it were at par, it is too soon to say whether political and monetary conditions in the United States may not lead to a fresh cycle of rising prices in terms of dollars which would almost necessarily have to be followed by a rise in sterling prices. For the moment, therefore, I repeat that the time has not yet come for a new attempt to fix the rupee, whether at 1*s*. 4*d*., 1*s*. 6*d*., or any other figure.

Strength of Indian Currency Reserves.

26. Subject, however, to one essential condition, namely, that the era of unbalanced budgets, central, provincial and local, in India, is succeeded by an era of balanced budgets, there is, I think, reason to regard the currency position of India with some satisfaction. We had a good monsoon last year and India's export trade has taken a turn for the better. For internal purposes the metallic reserve of silver seems to be fully ample to maintain the convertibility of the paper currency. In addition to the reserve of silver rupees, there is in the Paper Currency Reserve a sum of £24 millions in gold, and in sterling securities, easily convertible into foreign exchange, a total of £5,800,000 sterling. Over and above and outside these Reserves, we have £40 millions in the Gold Standard Reserve. In spite of the separation between the two Reserves, if we are looking at the resources available for maintaining the rate of exchange of the rupee, the sterling securities in the Paper Currency Reserve and the Gold Standard Reserve all serve the same purpose.

Movements in Exchange.

27. The movements of the rupee-sterling exchange during the past year reflect a clear improvement in the position of the rupee. A year ago, in February 1922, the telegraphic transfer rate in Calcutta on London had fallen as low as 1*s*. $2\frac{1}{59}$*d*., and it was not till the end of December that it reached 1*s*. 4*d*. Since then, after a rather rapid rise to over 1*s*. 5*d*. followed by a sharp re-action, it is for the moment fairly steady at between 1*s*. 4*d*. and 1*s*. 4$\frac{1}{2}$*d*. This improvement in terms of sterling reflects an even greater improvement in terms of gold owing to the rise which has taken place during the year in the value of sterling in terms of gold, and the improvement is reflected also in prices. The Bombay Labour Office figure for Indian wholesale prices for December 1921 was 190. For December 1922 the corresponding figure was 173. There has been a still more striking fall in retail prices of food grains. This fall in Indian prices has been taking place during a period in which there has been an actual rise in dollar prices and sterling prices have remained approximately stationary.

General observations on Exchange.

28. I have said that I do not think the time has come for fixing on a new policy in regard to exchange. I do, however, want to make one or two general observations. There is no sanctity in this era of instability about any particular rate of exchange, whether 1*s*. 4*d*. or 2*s*. or anything else; it is simply a question of what rate of exchange best suits India's needs. Ultimately India's payments outside India are, and must be, made in the form of exports of Indian goods and services. But, if we look at the matter from the narrow point of view of the budget, the following statistical data are of interest. The Government of India's sterling debt of £240 millions sterling at 1*s*. 4*d*. amounts to 360 crores, at 1*s*. 5*d*. it amounts to 339 crores, at 1*s*. 6*d*. it amounts to 320 crores while at 2*s*. it amounts to 240 crores. Of

the deficit for 1922-23, 5½ crores would have been saved had exchange been at 1*s.* 6*d.* and 9½ crores if it had been at 1*s.* 8*d.* Statistics proverbially can be made to prove anything. Nevertheless, these figures are striking and it must be remembered that, apart from the sterling indebtedness of the Government of India, there are large sterling debts owed by municipalities, port trusts, and many other Indian borrowers, who would all be individually benefited by a higher exchange so far as their sterling indebtedness is concerned. Then, again, although since 1920 the tendency of rupee prices to remain relatively more stable than world prices, or rather to follow changes in world prices rather slowly, has to a large extent ceased to operate, it is very doubtful, I think, whether internal prices in India have yet adjusted themselves to a level corresponding to a 1*s.* 4*d.* exchange, so that were exchange stabilised now at 1*s.* 4*d.*, internal prices would have to go up, and certainly there are various kinds of Government expenditure which would have to go up considerably in terms of rupees. Finally, we do not want ever again to find the rupee more valuable as bullion than as currency. That is one side of the picture. There is, of course, another side. An attempt to force up exchange violently would at once cause stringency. Severe stringency in the money market is never desirable for its own sake, is always bad for trade for the time being, and is most inconvenient from the point of view of a government which is engaged on a programme of capital expenditure, involving considerable capital borrowings. Any policy which threatened seriously to restrict India's exports is also to be deprecated, and trade above all desires stability of exchange, perhaps even more than stability of prices. I myself had some part in the International Conference at Genoa last April and May, and the first recommendation of that Conference was that "an essential requisite of the economic reconstruction of Europe is the achievement by each country of stability in the value of its currency." If, therefore, the time has not yet come for an attempt finally to stabilise the currency of India, stability is our goal and we mean to achieve it at the first opportunity.

IV.—Budget for 1923-24.

Expenditure.

29. While drawing attention to the above recommendation of the Genoa Conference, I am naturally led to quote another of its most important recommendations, which reads:

> "In each country, the first step towards re-establishing a gold standard would be the balancing of the annual expenditure of the State without the certain of fresh credit unrepresented by new assets. The balancing of the budget is the first consideration."

What then about the budget for 1923-24? Is it going to be balanced? The Members of the Legislature are not the only people in India who are taking an interest in this question. Only a few days ago, I received the following postcard:

> "Sir, kindly let us know by wire at our expense whether the customs duty will be decreased or increased on foreign imported wines and spirits. Awaiting your favourable reply by wire."

Retrenchment Committee.

30. At the outset of my statement of the figures for 1923-24, I must explain what action the Government of India propose to adopt in order to be able to show the results of the report of the Retrenchment Committee in the

budget figures. The first part of the report of the Inchcape Committee came into the hands of the Government little more than a fortnight ago, while the second part of the report reached us only on Saturday last and the third part yesterday. The complete and final report has not yet been signed. It has been a difficult problem to decide how to fit the proposals of the Retrenchment Committee into the budget. A report of this importance obviously requires careful and detailed examination by the Government of India in consultation with the Secretary of State, and the House will naturally desire an opportunity of studying the proposals on their merits. There has not been time, therefore, for final conclusions to be arrived at in regard to a great many of the Committee's recommendations. On the other hand, it was obviously necessary to frame a budget in which allowance would be made for the reductions in expenditure which we all expect to result from the Committee's work. In any circumstances, it would, of course, have been impossible, and it is clearly recognised by the Retrenchment Committee itself that it would be impossible, to obtain the full value of the cuts which are to be made in the first year of operation. Some of the retrenchments proposed can only be introduced gradually so that allowance has to be made for what I may call the "lag", while in many cases allowance has to be made for extra expenditure on what I may call the " terminal charges ", *i.e.*, special charges which have to be incurred in closing down establishments and getting rid of the staff. Throughout its report, the Committee's recommendations are given in the form of reductions on the budget figures for 1922-23, which are, of course, quite different from the budget figures for 1923-24 as they appear before allowance is made for special cuts based on the Committee's recommendations. A fair proportion of the total reductions recommended by the Committee are either automatic reductions on the 1922-23 figures or actual retrenchments which we ourselves have been able to effect in the budget for 1923-24 in advance of the receipt of the Committee's recommendations. The activities of the Committee cast their shadow before, and estimates prepared in the atmosphere of economy which they created naturally reflected part of that atmosphere.

Extent to which credit has been taken in Budget for retrenchment proposals.

31. In the Military budget, we have been able to take credit for the reductions, which, subject to final agreement with the authorities in London, we propose to effect as the outcome of the Retrenchment Committee's recommendations. This we were able to do because we had advance knowledge of the reductions which were going to be proposed, and His Excellency the Commander-in-Chief, working in close co-operation with the Retrenchment Committee and with his Colleagues in the Government, had arrived at a general agreement in regard to the total. In the case of the Posts and Telegraphs budget, we have been able to present figures showing the effect for 1923-24 of some though not all of the reductions which we propose to effect in consequence of the recommendations of the Retrenchment Committee. Our preparations could not be so far advanced in regard to the other Civil Departments. It was necessary to prepare, for the purpose of presentation to this House, the estimates for the Demands for Grants before we had sufficient knowledge of the proposals which were going to be made by the Retrenchment Committee. The estimates for the Demands for Grants, which are about to be presented, accordingly show the figures of civil expenditure before allowance is made for special retrenchments consequent on the report of the Committee. As I have already explained, this does not mean that none of the results of what the Committee recommends appear in those estimates, but simply that the final retrenchments are not included in the figures.

Civil expenditure.

32. Our problem, therefore, has been how to include in the budget statement the additional reductions which we hope to effect after studying the report of the Committee, and how to place the House in a position to examine and vote on the Demands for Grants in proper form. The Government are not yet in a position to announce definitely which of the particular recommendations of the Committee will be adopted; nor has it been possible to frame an accurate forecast of the allowance to be made for the fact that particular retrenchments cannot come into full effect as early as the 1st April 1923. But after giving careful consideration to the report, the Government of India have decided that they will be justified in taking the responsibility of saying that they believe that a reduction of 4 crores can be effected, over and above what has already been done, either in the ways proposed by the Retrenchment Committee or by some modification of them. A further paper will be circulated as soon as possible showing how this lump sum reduction of 4 crores is proposed to be spread over the various heads, and when the time comes for voting upon the Demands for Grants, the House will be asked to vote not the original total of each head but only the total as reduced in each case by the special cut made in the light of the Retrenchment Committee's recommendations. In the non-military portion of the Budget excluding interest, the Committee recommend reductions of about 8½ crores on a total Budget estimate in 1922-23 of 103·9 crores. The corresponding figure in our detailed Budget statements for 1923-24 is 101·3 crores, a reduction of 2·6 crores. The House will see that our cut of 4 crores, together with the amount of 2·6 crores which represents retrenchments proposed by the Committee already taken account of in the estimates, makes a total of 6·6 crores. The difference between these two figures, amounting to less than 2 crores, represents the allowance which it is thought necessary to make for the fact that many of the recommendations, even if accepted, cannot be in full operation during 1923-24. This allowance is not a large one. The Government of India will do their utmost to make sure of converting their hopes into accomplished facts and will leave no stone unturned in their endeavour to make actual reductions to the full extent of the 4 crores. We must cut our coat according to our cloth, and where necessity drives, we must be content to forego even desirable outlays. But I cannot conceal from the House that it will task all our ingenuity to give full effect to the 4 crores reduction within the year 1923-24, and that some risks are being taken in assuming that figure for Budget purposes.

Military expenditure.

33. Some risks are also being taken in regard to our Military expenditure, risks of the same financial kind as in the case of Civil expenditure owing to the uncertainties caused by the circumstances in which our estimates have had to be framed, and risks of a military nature as well. In the case of Military expenditure the total for which the House will be asked to provide funds in 1923-24 is 62 crores. This figure represents, as I have already explained, the total required after taking into consideration the recommendations of the Retrenchment Committee. This total, which includes 1·69 crores for expenditure in Waziristan, compares with the total of 67¾ crores for 1922-23, a reduction of 5¾ crores.

34. Opportunity will arise in the ordinary course for a general discussion by this House of the Army expenditure, but I may say that in the forefront of these reductions and forming the pivot on which the other reductions depend is a substantial reduction in the strength of British and Indian forces.

I am not in a position to-day to give details of the reductions in troops which it is proposed to effect. These reductions are being discussed between the Government of India and His Majesty's Government. The form which the reductions should take is necessarily a matter of some intricacy and complication as it is desirable to impair as little as possible the essential structure and organisation of the Army and so to retain after the reductions the maximum degree of efficiency. The decision, as the House will understand, is also a very responsible one and the difficulties being what they are, there simply has not been time to arrive at final decisions. In any case the full financial effect of these reductions and of other proposals in regard to the military expenditure cannot for practical reasons be expected in the coming year. If these reductions and the others which have been agreed upon could have been fully and effectively in operation by the 1st of April 1923, the net Military budget for 1923-24 would be 57·75 crores, but a sum of 4·25 crores has to be allowed for special expenditure in Waziristan and for the fact that the reductions cannot be in full force throughout the year.

Reduction of troops.

35. It is not my intention to-day to go through the expenditure for 1923-24 in detail. Full statements under the various heads will be circulated, and I think it will be for the convenience of the House that I should leave Honourable Members to study these for themselves. It will be enough for me to say now, therefore, that, as compared with the original Budget Estimate of expenditure for 1922-23 of 2,15·27 crores inclusive of the working expenses of commercial departments, our total expenditure for 1923-24, taking sterling expenditure at the rate of exchange of 1*s.* 4*d* per rupee, is estimated to be 2,04 37 crores, a reduction of 11 crores in spite of an increase of 1¾ crores for interest.

Total expenditure, 1923-24.

Revenue, 1923-24.

36. I turn now to the Revenue. In framing our revenue forecast, we have assumed that trade conditions will continue much as they are at present. We have allowed, that is, for a small growth in revenue such as may normally be expected from year to year; we have not counted upon any early boom in foreign trade.

37. Under Customs, I do not think we can prudently anticipate for next year imports of sugar on anything like the same scale as in 1921-22, and allowing for the new tariff valuation we estimate a revenue from sugar of 5 crores as against 4¾ crores for the current year. As regards the other tariff heads, we have either repeated the figure which we anticipate for the current year, or have provided for a small increase where an expansion seems probable. Altogether we assume a total gross revenue of 45·99 crores, or, allowing for refunds, a net revenue of 45·09 crores, which is 2,79 lakhs more than what we now expect to collect in the current year. This figure is arrived at after allowing for a reduction to 5 *per cent.* all round of the export duty on hides and skins, a reduction necessitated by the state of the trade.

Customs.

38. As regards Income Tax, we shall not again have to make the heavy refunds to which I have already referred; on the other hand, there is fairly certain to be a falling off of revenue in Bombay, while the collection of arrears will also be less; these may be expected to balance each other, and we have entered a revenue of 19 crores, which is roughly the same as we expect to raise this year.

Income Tax.

Railways.

39. I come now to the Railway budget. There is no doubt that as soon as any marked revival in internal trade takes place, Railway earnings ought to show a considerable rise; the autumn harvest has been so good and the promises for the spring crop are so favourable that it is not unreasonable to expect a revival before long. The difficulty is to say how soon this revival will occur. Traffic receipts suffered a check in 1922-23, and on the whole I do not think it is safe to budget on the assumption that there will be a very rapid revival in 1923-24. Our estimate for gross traffic receipts is accordingly put at 95½ crores. It is 3½ crores higher than the revised estimate for 1922-23. Two factors account in the main for this increase of 3½ crores. The first is that in the earlier months of 1922-23 there was a considerable loss of revenue due to the strike on the East Indian Railway and the second is that the present increased rates did not come fully into effect on all Railways until about the 1st of July 1922.

Working expenses and interest and other charges, without allowing for the share attributable to this head of the Inchcape Committee's cuts, amount to nearly the same figure, leaving a net profit for the year of 35 lakhs which compares with the net loss on the current year's budget as now revised of ₹92,60,000.

Posts and Telegraphs.

40. In the case of Posts and Telegraphs, we are able to estimate for a net receipt of 1,47 lakhs as compared with the net receipt of 24 lakhs in the 1922-23 budget as revised. This improvement is due in part to expected recovery in revenue and in part to reductions in working expenses made in anticipation of, or in consequence of, the recommendations of the Retrenchment Committee.

Total revenue.

41. We thus arrive at the following budget position on the basis of existing taxation. As against an expenditure of 2,04·37 crores, we have an expected revenue of 1,98·52 crores, leaving a deficit of 5·85 crores. Before I proceed to explain to the House what we propose to do in regard to this deficit, I must turn for a moment to our ways and means position.

V.—Ways and Means.

42. Public attention is usually concentrated on the annual budget of revenue and expenditure, but the Ways and Means budget is of equal importance, for after all it is the Ways and Means budget which shows the sums which the Government has to pay out under one head or another during the year and the sums which it has to get in from the public. Whether it is a provincial overdraft or an advance on capital account, or whether it is a revenue deficit, the money to meet the outgoing has to be got in before it can go out. The Ways and Means budget is, however, one which it is difficult to present in a clear and easily intelligible form. It is never possible to adhere to a strict programme in regard to Ways and Means operations. In financing the country's various liabilities and in finding cash for our own and the provinces' day to day disbursements, we have to be guided very largely by the changing conditions of the money market both here and in London.

Funding of Floating Debt.

43. During the current year we expect to meet liabilities, over and above what has been met from revenue, amounting to 106 crores. These will have been financed mainly out of the proceeds of our rupee and sterling loans which have been on an unprecedentedly large scale. Our rupee

loan realised nearly 47 crores and £31½ millions was borrowed in London during the year. One satisfactory feature of the year, to which I have already referred, is that out of these borrowings we have been able to reduce our floating debt by 40·6 crores, of which 32·4 crores consists of a net discharge of Treasury Bills held by the public and 8·2 crores of a cancellation of Treasury Bills held in the Currency Reserve. We cannot hope to continue the reduction of floating debt on the same scale over a long period, but I feel sure that the House will agree with me that it must be our constant policy to secure the early extinction of the floating debt by its conversion into securities of longer term.

Remittances to London, 1922-23.

44. Our sterling borrowings have facilitated the provision in London of the sums required to meet our sterling obligations during the year. But advantage has been taken of the strengthening of exchange which occurred at the New Year to effect remittance by the method of selling Council Bills. Weekly sales have been taking place of moderate amounts since the beginning of January, and we have thereby been placing funds in London at a moment which, although somewhat in advance of actual requirements, is nevertheless convenient to the market. We anticipate that our balance in London will be about £8 millions on the 31st March 1923 as against a normal minimum balance of £4 millions, but the surplus will be required early in the new financial year.

Summary.

45. The following statement summarises the Ways and Means operations for India and England together during 1922-23 and 1923-24:

Liabilities.

(Crores of rupees.)

	Revised.	Budget.
Railway capital outlay	21·4	38·6
Delhi, Irrigation and Telegraph capital outlay	3·0	2·9
Discharge of funded debts, etc.	12·4	5·2
Discharge of Treasury Bills—		
With the public	32·4	5·5
In the Paper Currency Reserve	8·2	
Loans to Provincial Governments	11·4	13·5
Central Government's revenue deficit	17·3	...
Drawings of Provincial Governments	...	1·3
	1,06·1	67·0

Met as follows:

Central Government's revenue surplus	...	·2
Surplus revenue of Provincial Governments	1·0	...
Rupee loans	46·9	25·0
Sterling loans (converted at 1*s.* 4*d.*)	47·3	22·7
Net receipts from Savings Bank deposits, etc.	3·1	5·0
Miscellaneous items	2·5	2·2
Reduction of cash balances	5·3	11·9
	1,06·1	67·0

Forecast for 1923-24.

46. In 1923-24, if the measures which I propose are adopted, we shall not again have to face the necessity of financing a large revenue deficit. Our largest liability will be for Railway Capital outlay. During 1922-23, it has not been possible to spend the full 30 crores allotted under the 5-year programme: there will be a large carry forward. We are adding this to the 30 crores for next year, making a total of 38·6 crores to be provided for

capital expenditure on Railways in 1923-24. We have about 5¼ crores of maturing bonds to meet, and our other Capital outlay is expected to reach about 3 crores. Loans or overdrafts to the Provincial Governments will absorb 13½ crores, the greater part of which will go to the Bombay Government for expenditure on their Development scheme.

Remittances to London, 1923-24.

47. We expect to start the year, as I have already said, with a cash balance of £8 millions in London. We are assuming, for the purpose of the Ways and Means estimate, that we shall be able to raise £15 millions by new sterling borrowings. We are assuming for budget purposes also that we shall be able to secure a rupee loan of 25 crores. With these resources, we hope to meet the liabilities I have mentioned, and in addition to effect a further reduction of five or six crores in our floating debt. In addition to the new sterling borrowings of £15 millions we estimate that we shall require to remit £27 millions to London from India during 1923-24. It is unnecessary, I think, for me to discuss at the present moment the various alternative methods of effecting this remittance. In addition to the ordinary method of purchase of exchange, the £5¾ millions in the Paper Currency Reserve in London, and after that the Gold Standard Reserve of £40 millions, can be drawn upon against an equivalent earmarking of rupees for those Reserves in India. Which particular combination of the various methods available will be adopted is a matter upon which it is impossible for Government to commit themselves in advance, since much must depend upon exchange conditions during the year.

VI.—Provincial Contributions.

48. There is another subject on which I should like to say a word owing to its close connection with the problem of covering our deficit, and that is the vexed question of the provincial contributions. I do not think that any one considering Indian finances at the present time can fail to be impressed by the undesirability of a long continuance of the present unsatisfactory position in regard to the provincial contributions. The Government of India have stated plainly that, as soon as they are able to do so, they intend to reduce, and eventually extinguish, these contributions. I am aware that this is not the solution which finds universal favour, though I think this is what the majority of the Provincial Governments desire. But so long as we have a deficit in the Central budget, it is obviously impossible for us to make a beginning with the reduction of provincial contributions. Meanwhile, every Provincial Government, without exception, is finding very great difficulty in balancing its budget. The majority, I am afraid, did not succeed in doing so in 1922-23, though they are doing better I am glad to see for 1923-24. It has been suggested to me by more than one spokesman for the provinces that there is a feeling in the minds of the Provincial Governments and of their Legislatures that it would be unwise for them to show balanced budgets. They are, it is hinted, taking a leaf out of the book of some charitable and religious bodies which make a habit of showing an annual deficit in order to make a striking appeal to their supporters to come to their rescue. The Provincial Governments think, it is said, that they will get more sympathy from the Central Government and get rid of their provincial contributions quicker if they can show a handsome deficit and appeal to the charity of the Central Government. I should like to say for my part that the strongest appeal that the Provincial Governments can make to me in this matter of

the Provincial contributions is to show themselves worthy of assistance from the Central Government by strenuous and successful endeavours to make both ends meet for themselves. Much, therefore, as we should have liked to be able to make a beginning of the reduction of the provincial contributions, it is obvious that this year we must confine ourselves to an attempt to deal with our own deficit. I would, however, add this appeal to all who are interested in a reduction in the provincial contributions. Let them give us their full support in any measures we propose for securing a balanced Central budget in the certainty that by so doing they are hastening the day when the contributions can begin to be released.

VII.—Proposals for dealing with the Deficit.

Interest on Gold Standard Reserve.

49. What then is to be done about the deficit of 5·85 crores? First of all, we propose to make an adjustment which, though little more than a change in methods of book-keeping, has the effect of reducing the apparent figure of the deficit by 1·59 crores. It is proposed to ask the House to continue during 1923-24 the arrangement made a year ago for crediting to revenue the interest on the securities in the Paper Currency Reserve. There is a similar source of income in the interest on the £40,000,000 in the Gold Standard Reserve, which is expected to amount to 1·59 crores in 1923-24. This is, in essence, of the same nature as the interest on the Paper Currency Reserve's investments, and we propose for 1923-24 to treat it in the same way. This change does not really add anything to our available resources or alter our Ways and Means position, but I think it is justified on merits.

Deficit cannot be left uncovered.

50. We are thus left with a deficit of 4·26 crores, and the only way left for meeting it is by additional taxation. If the House will turn its mind back for a moment to what I said about the accrued deficits of the last five years, it will recognise that it cannot leave the deficit of 4¼ crores untouched. It will perhaps be asked whether the fact that several crores in the military expenditure and a considerable additional amount in the non-military expenditure represents non-recurrent expenditure due to " lag " and " terminal charges " would not justify the deficit being allowed to continue for one more year. This argument unfortunately does not represent the full facts. If some crores in the military budget represent non-recurrent expenditure, on the other hand over 2 crores of the cuts made in the military budget represent non-recurrent savings, being arrived at simply by a reduction in stores Similar considerations apply to some of the other cuts both in the military and the non-military budgets, in particular in the railway budget. Moreover, some terminal charges will still have to be met in 1924-25. Whatever our hopes may be, we have no reasonable certainty that the budget for 1924-25 would balance on the basis of present taxation. Moreover we have not yet begun to provide anything towards making good past deficits. If 1924-25 were to turn out much better than it is possible to promise at this moment, we can, if we have got through 1923-24 without a deficit, turn our thoughts to reduction of the provincial contributions.

New taxation necessary.

51. Our conclusion, therefore, is that we must ask for some increase in taxation. No one likes new taxation. It is a disappointment to the House, and it was a great disappointment to me, that new taxation is needed at all. If he is wise, a Finance Member dislikes new expenditure and dislikes new taxation even more. But most of all, he loathes and abhors

a deficit. I hope the House will agree that I have demonstrated to the full the absolute impossibility of its leaving a sixth year's deficit of 4¼ crores to be added to the appalling aggregate of 100 crores of the deficits of the last five years. The House would be false to its trust if it allowed the Government to adopt so pusillanimous and mischievous a course. The credit of India is in jeopardy. It is already under the cloud of the deficits of the last five years. But India's financial record has been so good for decades preceding those five years that hitherto the damage is not irreparable. The world has trust in India's record and has felt sure that the era of deficits could only be a passing phase. It is our duty to-day to justify that trust. We have made drastic cuts in our expenditure, but we have not achieved a balance. New taxation is, therefore, inevitable.

Increase in Salt duty.

52. What form then is the new taxation to take? We have carefully reviewed the existing taxes. In particular, we have examined those taxes which were proposed last year and not accepted. One after another we have had to reject promising expedients, and finally we have come to the conclusion that the right course is to ask the House to agree to an increase in the salt tax to ₹2-8 a maund. In a full year, this increase is estimated to yield 6 crores, but we cannot count on its bringing in more than 4½ crores in 1923-24. The House will see that this additional revenue is just sufficient to cover the deficit of 4¼ crores, to give us a balanced budget, and to leave us a small surplus of 24 lakhs. In view of the uncertainties of our estimates of expenditure, this House will agree that this is not an undue margin to leave over for contingencies.

CONCLUSION.

53. My allotted task is finished. I have laid before the House the Government of India's account of their stewardship for the year that is passing and their proposals for the year 1923-24. I am painfully conscious of the responsibility which attaches to the Member introducing the budget. He cannot hope that his proposals will receive universal approbation. I have no doubt that when the details of our proposed expenditure come up for discussion, some Members will criticise this or that retrenchment as iniquitous and the retention of this or that item of expenditure as outrageous. Some other Members will disagree entirely with them on one or other or both of these criticisms. But all will manage to disagree with me on some point or other. I hope none the less that the Government of India will receive the credit which I claim is their due for courageously shouldering their burden and boldly coming forward with a budget which, at one and the same time, effects drastic reductions in expenditure and calls for a further sacrifice in the form of new taxation. I appeal to the House for one last long and strong pull, all of us pulling together, in the confident assurance that so doing we shall quickly get the boat out of the vicious current which is threatening to drag India down on to the rocks of insolvency. Once back in safe waters, I have every hope that in a surprisingly short time we shall find ourselves on the flood tide of prosperity, and shall be able to turn our minds to pleasant thoughts of reduced provincial contributions, reduced taxation, and increased devotion of our resources to the development of India. I was struck a little more than a week ago by a remark that fell from Sir Deva Prasad Sarvadhikary when, speaking on the Racial Distinctions Bill, he said that the House had had three red letter days in succession. Let us crown our successes by a fourth red letter day, and end our Session with a balanced budget.

BASIL P. BLACKETT.

The 1st March 1923.

BUDGET

of the

GOVERNMENT OF INDIA,

MARCH 1923.

ACCOUNTS	1921-22
REVISED ESTIMATES	1922-23
BUDGET ESTIMATES	1923-24

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I.--General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1921-22.	Budget Estimate, 1922-23.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
		Rs.	Rs.	Rs.	Rs.
Revenue—					
Principal Heads of Revenue—					
Customs	A	34,40,98,381	45,41,84,000	42,30,03,000	45,09,41,000
Taxes on Income	,,	18,74,13,424	22,11,39,000	18,69,31,000	19,04,64,000
Salt	,,	6,34,37,848	6,86,03,000	7,17,84,000	11,75,00,000
Opium	,,	3,07,24,798	3,09,30,000	3,98,68,000	3,93,12,000
Other Heads	,,	2,20,16,921	2,35,85,000	2,37,37,000	2,44,97,000
TOTAL PRINCIPAL HEADS		64,76,91,372	79,84,41,000	74,53,23,000	82,27,14,000
Railways : Net Receipts	,,	15,20,82,829	31,10,94,000	25,31,31,000	28,26,58,000
Irrigation : Net Receipts	,,	5,94,141	7,22,000	10,26,000	10,63,000
Posts and Telegraphs : Net Receipts	,,	56,52,778	1,75,28,000	90,58,000	2,03,44,000
Interest Receipts	,,	1,11,00,700	84,31,000	1,04,11,000	2,50,96,000
Civil Administration	,,	77,29,211	86,49,000	56,20,000	62,08,000
Currency, Mint and Exchange	,,	4,37,42,093	3,22,31,000	3,53,10,000	2,69,26,000
Civil Works	,,	11,33,782	10,92,000	11,25,000	10,69,000
Miscellaneous	,,	(a) 7,18,56,875	66,11,000	67,62,000	48,34,000
Military Receipts	,,	8,06,93,832	5,54,14,000	5,01,01,000	2,81,23,000
Contributions and Assignments to the Central Government by Provincial Governments	,,	12,98,72,704	9,20,65,000	9,21,50,000	9,21,36,000
TOTAL REVENUE		1,15,21,50,317	1,33,22,78,000	1,21,00,17,000	1,31,11,71,000
DEFICIT		27,65,01,700	9,16,28,000	17,25,35,000	...
TOTAL		1,42,86,52,017	1,42,39,06,000	1,38,25,52,000	1,31,11,71,000

(a) Includes proceeds of freight tax which was replaced from 1922-23 by increased goods rates.

DELHI,
FINANCE DEPARTMENT,
March 1, 1923.

M. F. GAUNTLETT,
Auditor General.

Revenue of the Central Government, in India and in England.

	For details, *vide* Statement.	Accounts, 1921-22.	Budget Estimate, 1922-23.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
		Rs.	Rs.	Rs.	Rs.
Expenditure—					
Direct Demands on the Revenues	B	5,27,12,199	5,53,32,000	5,30,73,000	5,50,88,000
Railways : Interest and Miscellaneous Charges	,,	24,29,82,572	25,98,53,000	26,23,91,000	27,91,32,000
Irrigation	,,	14,48,454	11,19,000	12,25,000	14,20,000
Posts and Telegraphs	,,	1,66,00,497	97,32,000	66,42,000	56,54,000
Debt Services	,,	15,99,70,014	15,20,09,000	15,17,90,000	17,21,57,000
Civil Administration	,,	9,40,80,047	9,74,06,000	10,01,05,000	10,46,35,000
Currency, Mint and Exchange.	,,	1,07,48,311	10,81,72,000 (b)	1,59,23,000	1,13,45,000
Civil Works	,,	1,54,20,200	1,61,49,000	1,50,01,000	1,87,63,000
Miscellaneous	,,	5,58,91,383	4,05,91,000	5,30,32,000	5,21,13,000
Lump allowance for further retrenchment in Civil expenditure (including Railways).	,,	...	...	...	—4,00,00,000
Military Services	,,	77,87,98,340	67,72,14,000	72,29,79,000	64,81,23,000
Miscellaneous adjustments between the Central and Provincial Governments	,,	...	63,29,000	3,86,000	3,62,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,42,86,52,017	1,42,39,06,000	1,38,25,52,000	1,30,87,92,000
SURPLUS		...	...	...	23,79,000
TOTAL		1,42,86,52,017	1,42,39,06,000	1,38,25,52,000	1,31,11,71,000

(b) Includes adjustment for exchange on net expenditure in England which has been distribute among the individual heads of account in the Accounts for 1921-22, the Revised estimates for 1922-23 and the Budget estimates for 1923-24.

A. C. McWATTERS,
Controller of the Currency.

E. M. COOK,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts. Accounts, 1921-22.	Budget Estimate, 1922-23.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
		Rs.	Rs.	Rs.	Rs.
Surplus	C	...	...	...	23,79,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards construction of State Railways	,,	63,88,170	3,86,74,000	26,78,000	4,51,26,000
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	,,	42,26,70,108	41,21,93,000	66,45,36,000	33,15,56,000
Floating Debt (net incurred)	,,	6,92,60,000	...	...	...
Unfunded Debt (net incurred)	,,	4,62,46,893	3,07,15,000	3,14,11,000	5,01,85,000
Deposit and Advances (net)	,,	18,71,20,018	24,76,67,000	17,98,76,000	12,31,17,000
Loans and Advances by Central Government (net Repayments)	,,	...	9,74,000	18,99,000	6,67,000
Remittances (net)	,,	3,24,36,065	1,41,53,000	...	...
Secretary of State's Bills drawn	,,	...	...	3,27,00,000	...
Balances of Provincial Governments (net)	,,	...	...	1,02,29,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES	...	75,77,33,084	70,57,02,000	92,06,51,000	50,55,25,000
TOTAL RECEIPTS	...	76,41,21,254	74,43,76,000	92,33,29,000	55,30,30,000
Opening Balance—India	...	13,83,56,901	22,48,09,901	25,66,13,170	21,33,56,170
England	...	7,20,98,319	7,00,48,319	8,99,53,817	8,04,01,817
TOTAL	...	97,45,76,474	1,03,92,34,220	1,26,98,95,987	84,67,87,987

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT,
March 1, 1923.

Central Government, in India and in England.

	For details, *vide* Statement.	Disbursements. Accounts, 1921-22.	Budget Estimate, 1922-23.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
		Rs.	Rs.	Rs.	Rs.
Deficit.	C	27,65,01,700	9,16,28,000	17,25,35,000	...
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—					
Construction of State Railways	,,	22,96,38,935	30,00,00,000	21,36,05,000	38,63,95,000
Capital outlay on Indian Postal and Telegraph Department	,,	81,61,617	1,45,00,000	1,10,36,000	96,22,000
Construction of Irrigation Works	,,	1,18,180	2,69,000	2,00,000	22,000
Initial expenditure on new Capital at Delhi	,,	1,35,27,418	2,00,00,000	1,91,50,000	1,97,00,000
Payments for discharge of Debentures (net)	,,	7,85,276	3,60,49,000	60,00,000	4,51,26,000
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	25,22,31,426	37,08,18,000	24,99,91,000	46,08,65,000
Debt, Deposits and Advances.					
Permanent Debt (net discharged)	,,	...	...	...	...
Floating Debt (net discharged)	,,	...	29,94,46,000	40,65,00,000	5,50,00,000
Deposits and Advances (net)	,,	...	...	...	...
Loans and Advances by Central Government (net Advances)	,,	1,47,235	...	...	...
Loans between Central and Provincial Governments (net Advances)	,,	6,38,28,435	5,50,00,000	11,43,11,000	13,46,77,000
Remittances (net)	,,	...	...	51,01,000	30,15,000
Secretary of State's Bills paid.	,,	...	...	2,77,00,000	50,00,000
Balances of Provincial Governments (net)	,,	3,53,00,691	4,35,44,000	...	1,28,30,000
TOTAL DEBT, DEPOSITS AND ADVANCES	...	9,92,76,361	39,79,90,000	55,36,12,000	21,05,22,000
TOTAL DISBURSEMENTS	...	62,80,09,487	86,04,36,000	97,61,38,000	67,13,87,000
Closing Balance—India	...	25,66,13,170	13,63,34,901	21,33,56,170	13,28,47,170
England	...	8,99,53,817	4,24,63,319	8,04,01,817	4,25,53,817
TOTAL	...	97,45,76,474	1,03,92,34,220	1,26,98,95,987	84,67,87,987

A. C. McWATTERS,
Controller of the Currency.

E. M. COOK,
Secretary to the Government of India.

A.—Statement of the Revenue of the

Heads of Revenue.	Accounts, 1921-22. India.	* England.	Exchange.	Total.	Item Number.
Principal Heads of Revenue—	Rs.	Rs.	Rs.	Rs.	
I.—Customs	34,40,98,381	...	...	34,40,98,381	1
II.—Taxes on Income	18,74,13,424	...	...	18,74,13,424	2
III.—Salt	6,34,37,848	...	...	6,34,37,848	3
IV.—Opium	3,07,24,798	...	...	3,07,24,798	4
V.—Land Revenue	33,18,236	...	...	33,18,236	5
VI.—Excise	53,80,399	...	...	53,80,399	6
VII.—Stamps—					
A.—Non-judicial	} 24,61,081	...	....	24,61,081	7
B.—Judicial	}				8
VIII.—Forest	19,68,643	...	...	19,68,643	9
IX.—Registration	1,70,705	...	...	1,70,705	10
X.—Tributes from Indian States	87,17,807	...	...	87,17,807	11
Total	64,76,91,372	...	...	64,76,91,372	12
Railways—					
XI.—State Railways—					
Gross Receipts	81,61,93,079	4,85,127	2,49,171	81,69,27,377	13
Deduct—Working Expenses	*65,66,78,003*	...	...	*65,66,78,003*	14
Surplus Profits paid to Companies	*1,06,40,122*	...	...	*1,06,40,122*	15
Net Receipts	14,88,74,954	4,85,127	2,49,171	14,96,09,252	16
XII.—Subsidised Companies	3,32,795	14,25,370	7,15,412	24,73,577	17
Total	14,92,07,749	19,10,497	9,64,583	15,20,82,829	18
Irrigation, etc.—					
XIII.—Works for which Capital accounts are kept	5,92,895	...	...	5,92,895	19
XIV.—Works for which no Capital accounts are kept	1,246	...	...	1,246	20
Total	5,94,141	...	...	5,94,141	21
Posts and Telegraphs—					
XV.—Gross Receipts	9,33,54,859	14,48,633	6,99,509	9,55,03,001	22
Deduct—Working Expenses	*8,95,24,346*	*2,13,655*	*1,12,222*	*8,98,50,223*	23
Net Receipts	38,30,513	12,34,978	5,87,287	56,52,778	24
Interest Receipts—					
XVI.—Interest	73,11,669	25,02,143	12,86,888	1,11,00,700	25
Carried over	80,86,35,444	56,47,618	28,38,758	81,71,21,820	

* Sterling converted into Rupees at £ 1 = Rs. 10.

Item Number.	Revised Estimate, 1922-23.			
	India.	England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
1	42,30,03,000	...	...	42,30,03,000
2	18,69,31,000	...	...	18,69,31,000
3	7,17,84,000	...	...	7,17,84,000
4	3,98,68,000	...	...	3,98,68,000
5	43,81,000	...	...	43,81,000
6	51,67,000	...	...	51,67,000
7	9,15,000	...	...	9,15,000
8	15,67,000	...	...	15,67,000
9	26,16,000	...	...	26,16,000
10	1,51,000	...	...	1,51,000
11	89,40,000	...	...	89,40,000
12	74,53,23,000	...	...	74,53,23,000
13	92,00,00,000	4,84,000	2,42,000	92,07,26,000
14	*66,33,85,000*	...	...	*66,33,85,000*
15	*68,07,000*	...	...	*68,07,000*
16	24,98,08,000	4,84,000	2,42,000	25,05,34,000
17	7,73,000	12,16,000	6,08,000	25,97,000
18	25,05,81,000	17,00,000	8,50,000	25,31,31,000
19	10,70,000	—33,000	—17,000	(a) 10,20,000
20	6,000	...	...	6,000
21	10,76,000	—33,000	—17,000	10,26,000
22	10,01,69,000	14,77,000	7,39,000	10,23,85,000
23	*9,27,23,000*	*3,96,000*	*1,98,000*	*9,33,27,000*
24	74,36,000	10,81,000	5,41,000	90,58,000
25	80,00,000	16,07,000	8,04,000	1,04,11,000
	1,01,24,16,000	43,55,000	21,78,000	1,01,89,49,000

(a) Represents net receipts after deduction of Rs. 12,14,000 on account of working expenses.

Increase (+) Decrease (—) as compared with Budget Estimate, 1922-23.	Budget Estimate, 1923-24. India.	* England.	Exchange.	Item Number.
Rs.	Rs	Rs.	Rs.	
—3,11,81,000	45,09,41,000	...	...	1
—3,42,08,000	19,04,64,000	...	...	2
+31,81,000	11,75,00,000	...	...	3
+89,38,000	3,93,12,000	...	...	4
—12,000	43,94,000	...	...	5
—4,55,000	52,58,000	...	...	6
—93,000	9,66,000	...	...	7
+1,46,000	16,15,000	...	...	8
+1,48,000	34,57,000	...	...	9
—17,000	1,62,000	...	...	10
+1,35,000	86,45,000	...	...	11
—5,31,18,000	82,27,14,000	...	...	12
—7,50,00,000	95,50,00,000	4,83,000	2,41,000	13
+1,71,89,000	66,51,50,000	...	...	14
—8,07,000	98,77,000	...	...	15
—5,86,18,000	27,99,73,000	4,83,000	2,41,000	16
+6,55,000	4,76,000	9,90,000	4,95,000	17
—5,79,63,000	28,04,49,000	14,73,000	7,36,000	18
+3,02,000	11,26,000	—45,000	—22,000	19
+2,000	4,000	...	...	20
+3,04,000	11,30,000	—45,000	—22,000	21
—91,69,000	10,52,03,000	13,20,000	6,60,000	22
+6,99,000	8,63,38,000	3,34,000	1,67,000	23
—84,70,000	1,88,65,000	9,86,000	4,93,000	24
+19,80,000	81,74,000	1,12,81,000	56,41,000	25
—11,72,67,000	1,18,13,32,000	1,36,95,000	68,48,000	

* Sterling converted into Rupees at £1 = Rs. 10.

Central Government, in India and in England.

Item Number.	Budget Estimate, 1923-24. Total.	Increase (+) Decrease (—) as compared with Budget, 1922-23.	Increase (+) Decrease (—) as compared with Revised, 1922-23.	Heads of Revenue.
	Rs.	Rs.	Rs.	**Principal Heads of Revenue—**
1	45,09,41,000	—32,43,000	+2,79,38,000	I.—Customs.
2	19,04,64,000	—3,06,75,000	+35,33,000	II.—Taxes on Income.
3	11,75,00,000	+4,88,97,000	+4,57,16,000	III.—Salt.
4	3,93,12,000	+83,82,000	—5,56,000	IV.—Opium.
5	43,94,000	+1,000	+13,000	V.—Land Revenue.
6	52,58,000	—3,64,000	+91,000	VI.—Excise.
				VII.—Stamps—
7	9,66,000	—42,000	+51,000	A.—Non-judicial.
8	16,15,000	+1,94,000	+48,000	B.—Judicial.
9	34,57,000	+12,89,000	+8,41,000	VIII.—Forest.
10	1,62,000	—6,000	+11,000	IX.—Registration.
11	86,45,000	—1,60,000	—2,95,000	X.—Tributes from Indian States.
12	82,27,14,000	+2,42,73,000	+7,73,91,000	Total.
				Railways—
13	95,57,24,000 (a)	—1,00,02,000	+3,49,98,000	XI.—State Railways— Gross Receipts.
14	*66,51,50,000*	+1,54,24,000	—17,65,000	*Deduct*—Working Expenses.
15	*98,77,000* (b)	—38,77,000	—30,70,000	Surplus Profits paid to Companies.
16	28,06,97,000	—2,84,55,000	+3,01,63,000	Net Receipts.
17	19,61,000	+19,000	—6,36,000	XII.—Subsidised Companies.
18	28,26,58,000	—2,84,36,000	+2,95,27,000	Total.
				Irrigation, etc.—
19	10,59,000 (c)	+3,41,000	+39,000	XIII.—Works for which Capital accounts are kept.
20	4,000	...	—2,000	XIV.—Works for which no Capital accounts are kept.
21	10,63,000	+3,41,000	+37,000	Total.
				Posts and Telegraphs—
22	10,71,83,000 (d)	—43,71,000	+47,98,000	XV.—Gross Receipts.
23	*8,68,39,000*	+71,87,000	+64,88,000	*Deduct*—Working Expenses.
24	2,03,44,000	+28,16,000	+1,12,86,000	Net Receipts.
				Interest Receipts—
25	2,50,96,000	+1,66,65,000	+1,46,85,000	XVI.—Interest.
	1,15,18,75,000	+1,56,59,000	+13,29,26,000	Carried over.

(a) Of this amount Rs. 34,07,000 is non-voted and the balance of Rs. 66,17,43,000 is voted
(b) The whole of this amount is voted.
(c) Represents net receipts after deduction of Rs. 11,34,000 on account of working expenses of which Rs. 1,54,000 is non-voted and the balance of Rs. 9,80,000 is voted.
(d) Of this amount, Rs. 18,36,000 is non-voted and the balance of Rs. 8,50,03,000 is voted.

A.—Statement of the Revenue of the Central

Heads of Revenue.	Accounts, 1921-22. India.	* England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward .	80,86,35,444	56,47,618	28,38,758	81,71,21,820	
Civil Administration—					
XVII.—Administration of Justice . .	3,33,367	...	...	3,33,367	1
XVIII.—Jails and Convict Settlements .	8,10,099	...	...	8,10,099	2
XIX.—Police . . .	15,16,019	...	...	15,16,019	3
XX.—Ports and Pilotage	21,94,410	...	...	21,94,410	4
XXI.—Education . .	1,22,888	...	...	1,22,888	5
XXII.—Medical . .	55,495	1,361	700	57,556	6
XXIII.—Public Health .	2,49,205	...	...	2,49,205	7
XXIV.—Agriculture .	5,10,958	...	...	5,10,958	8
XXV.—Industries . .	...	...	...	...	9
XXVI.—Miscellaneous Departments .	19,34,709	...	...	19,34,709	10
Total .	77,27,150	1,361	700	77,29,211	11
Currency, Mint and Exchange—					
XXVII.—Currency . .	3,60,90,284	40,69,643	20,93,075	4,22,53,002	12
XXVIII.—Mint . .	14,89,091	...	...	14,89,091	13
Total .	3,75,79,375	40,69,643	20,93,075	4,37,42,093	14
Civil Works—					
XXX.—Civil Works .	11,33,782	...	...	11,33,782	15
Miscellaneous—					
XXXIII.—Receipts in aid of Superannuation . .	21,85,545	3,88,518	1,99,820	27,73,883	16
XXXIV.—Stationery and Printing . .	8,58,925	12,024	6,184	8,77,133	17
XXXV.—Miscellaneous .	5,87,31,804	62,56,334	32,17,721	6,82,05,859	18
Total .	6,17,76,274	66,56,876	34,23,725	7,18,56,875	19
Carried over .	91,68,52,025	1,63,75,498	83,56,258	94,15,83,781	

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1922-23.			
	India.	* England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
	1,01,24,16,000	43,55,000	21,78,000	1,01,89,49,000
1	3,59,000	...	...	3,59,000
2	8,24,000	...	...	8,24,000
3	1,63,000	...	...	1,63,000
4	21,78,000	...	...	21,78,000
5	1,27,000	...	...	1,27,000
6	51,000	1,000	...	52,000
7	1,25,000	...	...	1,25,000
8	4,79,000	...	...	4,79,000
9	2,000	...	...	2,000
10	13,11,000	...	...	13,11,000
11	56,19,000	1,000	...	56,20,000
12	3,14,27,000	14,57,000	7,29,000	3,36,13,000
13	16,96,000	1,000	...	16,97,000
14	3,31,23,000	14,58,000	7,29,000	3,53,10,000
15	11,25,000	...	...	11,25,000
16	19,62,000	3,68,000	1,84,000	25,14,000
17	15,25,000	6,000	3,000	15,34,000
18	8,01,000	12,75,000	6,38,000	27,14,000
19	42,88,000	16,49,000	8,25,000	67,62,000
	1,05,65,71,000	74,63,000	37,32,000	1,06,77,66,000

Increase (+) Decrease (—) as compared with Budget Estimate, 1922-23.	Budget Estimate, 1923-24.			Item Number.
	India.	*England.	Exchange.	
Rs.	Rs.	Rs.	Rs.	
=11,72,67,000	1,13,13,32,000	1,36,95,000	68,48,000	
+10,000	3,84,000	...	...	1
—2,87,000	9,09,000	...	...	2
—12,00,000	1,64,000	...	...	3
—2,43,000	24,51,000	...	...	4
+10,000	1,33,000	...	...	5
+2,000	1,07,000	...	...	6
—1,82,000	1,22,000	...	...	7
+2,01,000	5,01,000	...	...	8
—1,98,000	...	...	...	9
+7,40,000	14,37,000	...	...	10
—30,29,000	62,08,000	...	...	11
+33,00,000	2,59,40,000	3,30,000	1,65,000	12
—2,21,000	4,90,000	1,000	...	13
+30,79,000	2,64,30,000	3,31,000	1,65,000	14
+33,000	10,69,000	...	...	15
+2,13,000	19,95,000	3,51,000	1,76,000	16
—2,07,000	11,67,000	7,000	3,000	17
+1,45,000	3,64,000	5,14,000	2,57,000	18
+1,51,000	35,26,000	8,72,000	4,36,000	19
—11,70,33,000	1,16,85,65,000	1,48,98,000	74,49,000	

*Sterling converted into Rupees at £1=Rs. 10.

Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1923-24. Total.	Increase (+) Decrease (−) as compared with Budget, 1922-23.	Increase (+) Decrease (−) as compared with Revised, 1922-23.	Heads of Revenue.
	Rs.	Rs.	Rs.	
	1,15,18,75,000	+1,56,59,000	+13,29,26,000	Brought forward.
				Civil Administration—
1	3,84,000	+35,000	+25,000	XVII.—Administration of Justice.
2	9,09,000	−2,02,000	+85,000	XVIII.—Jails and Convict Settlements.
3	1,64,000	−11,99,000	+1,000	XIX.—Police.
4	24,51,000	+30,000	+2,73,000	XX.—Ports and Pilotage.
5	1,33,000	+16,000	+6,000	XXI.—Education.
6	1,07,000	+57,000	+55,000	XXII.—Medical.
7	1,22,000	−1,85,000	−3,000	XXIII.—Public Health.
8	5,01,000	−1,79,000	+22,000	XXIV.—Agriculture.
9	...	−2,00,000	−2,000	XXV.—Industries.
10	14,37,000	−6,14,000	+1,26,000	XXVI.—Miscellaneous Departments.
11	62,08,000	−24,41,000	+5,88,000	Total.
				Currency, Mint and Exchange—
12	2,64,35,000	−38,78,000	−71,78,000	XXVII.—Currency.
13	4,91,000	−14,27,000	−12,06,000	XXVIII.—Mint.
14	2,69,26,000	−53,05,000	−83,84,000	Total.
				Civil Works—
15	10,69,000	−23,000	−56,000	XXX.—Civil Works.
				Miscellaneous—
16	25,22,000	+2,21,000	+8,000	XXXIII.—Receipts in aid of Superannuation.
17	11,77,000	−5,64,000	−3,57,000	XXXIV.—Stationery and Printing.
18	11,35,000	−14,34,000	−15,79,000	XXXV.—Miscellaneous.
19	48,34,000	−17,77,000	−19,28,000	Total.
	1,19,09,12,000	+61,13,000	+12,31,46,000	Carried over.

A.— Statement of the Revenue of the Central

Heads of Revenue.	Accounts, 1921-22. India.	England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward	91,68,52,025	1,63,75,498	83,56,258	94,15,83,781	
Military Receipts—					
XXXVI.—Army—					
Effective	3,62,43,164	1,04,37,770	1,19,50,280	7,24,22,501	20
Non-effective	9,93,678	1,27,97,609			21
	3,72,36,842	2,32,35,379	1,19,50,280	7,24,22,501	22
XXXVII.—Marine	53,17,334	5,33,787	2,74,534	61,25,655	23
XXXVIII.—Military Works	21,45,676	...	...	21,45,676	24
Total	4,46,99,852	2,37,69,166	1,22,24,814	8,06,93,832	25
Contributions and Assignments to the Central Government by Provincial Governments—					
XXXIX.—Contributions and Assignments to the Central Government by Provincial Governments	12,97,80,933		...	12,97,80,933	26
XL.—Miscellaneous adjustments between the Central and Provincial Governments	91,771		...	91,771	27
Total	12,98,72,704	...	...	12,98,72,704	28
TOTAL REVENUE	1,09,14,24,581	4,01,44,664	2,05,81,072	1,15,21,50,317	29

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1922-23.			
	India.	England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
	1,05,65,71,000	74,63,000	37,32,000	1,06,77,66,000
20	2,90,33,000	69,50,000	34,75,000	3,94,58,000
21	9,01,000	15,45,000	7,72,000	32,18,000
22	2,99,34,000	84,95,000	42,47,000	4,26,76,000
23	35,85,000	...	...	35,85,000
24	38,40,000	...	...	38,40,000
25	3,73,59,000	84,95,000	42,47,000	5,01,01,000
26	9,20,00,000	...	...	9,20,00,000
27	1,50,000	...	...	1,50,000
28	9,21,50,000	...	...	9,21,50,000
29	1,18,60,80,000	1,59,58,000	79,79,000	1,21,00,17,000

Increase (+) Decrease (−) as compared with Budget Estimate, 1922-23.	Budget Estimate, 1923-24			Item Number.
	India.	*England.	Exchange.	
Rs.	Rs.	Rs.	Rs.	
−11,70,33,000	1,16,85,65,000	1,48,98,000	74,49,000	
−99,58,000	1,74,00,000	27,83,000	13,91,000	20
+7,73,000	9,98,000	11,95,000	5,98,000	21
−91,85,000	1,83,98,000	39,78,000	19,89,000	22
+15,62,000	21,29,000	...	...	23
+23,10,000	16,29,000	...	...	24
−53,13,000	2,21,56,000	39,78,000	19,89,000	25
...	9,20,00,000	...	...	26
+85,000	1,36,000	...	...	27
+85,000	9,21,36,000	...	...	28
−12,22,61,000	1,28,28,57,000	1,88,76,000	94,38,000	29

*Sterling converted into Rupees at £1=Rs. 10.

Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1923-24. Total.	Increase (+) Decrease (−) as compared with Budget, 1922-23.	Increase (+) Decrease (−) as compared with Revised, 1922-23.	Heads of Revenue.
	Rs.	Rs.	Rs.	
	1,19,09,12,000	+61,13,000	+12,31,46,000	Brought forward.
				Military Receipts—
				XXXVI.—Army—
20	2,15,74,000	−2,78,42,000	−1,78,84,000	Effective.
21	27,91,000	+3,46,000	−4,27,000	Non-effective.
22	2,43,65,000	−2,74,96,000	−1,83,11,000	
23	21,29,000	+1,06,000	−14,56,000	XXXVII.—Marine.
24	16,29,000	+99,000	−22,11,000	XXXVIII.—Military Works.
25	2,81,23,000	−2,72,91,000	−2,19,78,000	Total.
				Contributions and Assignments to the Central Government by Provincial Governments—
26	9,20,00,000	...	...	XXXIX.—Contributions and Assignments to the Central Government by Provincial Governments.
27	1,36,000	+71,000	−14,000	XL.—Miscellaneous adjustments between the Central and Provincial Governments.
28	9,21,36,000	+71,000	−14,000	Total.
29	1,31,11,71,000	−2,11,07,000	+10,11,54,000	TOTAL REVENUE.

B.—Statement of the Expenditure charged to the Revenues

Heads of expenditure.	Accounts, 1921-22. India.	England.*	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenues—					
1.—Customs	64,49,533	91,196	46,903	65,87,632	1
2.—Taxes on income	22,26,823	15,947	8,202	22,50,972	2
3.—Salt	1,55,36,588	74,296	38,212	1,56,49,096	3
4.—Opium	1,79,25,207	52,605	27,055	1,80,04,867	4
5.—Land Revenue	14,48,007	12,887	6,628	14,67,522	5
6.—Excise	2,53,939	1,701	875	2,56,515	6
7.—Stamps—					
A.—Non-judicial }	36,57,439	59,859	30,786	37,48,084	7
B.—Judicial }					8
8.—Forests	38,58,586	5,56,714	2,86,326	47,01,626	9
9.—Registration	45,885	...	...	45,885	10
Total	5,14,02,007	8,65,205	4,44,987	5,27,12,199	11
Railway Revenue Account—					
10.—State Railways :—					
Interest on Debt	9,22,00,832	4,24,61,280	2,16,85,936	15,63,48,048	12
Interest on Capital contributed by Companies	3,49,068	2,17,07,853	1,14,60,434	3,35,17,355	13
Annuities in purchase of Railways	...	3,35,72,931	1,72,10,797	5,07,83,728	14
Sinking Funds	...	28,74,409	14,61,021	43,35,430	15
11.—Subsidised Companies	7,19,922	...	...	7,19,922	16
12.—Miscellaneous Railway Expenditure	−52,46,439	16,81,907	8,42,621	−27,21,911	17
Total	8,80,23,383	10,22,98,380	5,26,60,809	24,29,82,572	18
Irrigation, etc., Revenue Account—					
14.—Works for which Capital accounts are kept—					
Interest on Debt	12,18,481	...	...	12,18,481	19
15.—Other Revenue Expenditure	1,18,381	24,718	12,717	1,55,816	20
Total	13,36,862	24,718	12,717	13,74,297	21
Carried over	14,07,62,252	10,31,88,303	5,31,18,513	29,70,69,068	

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1922-23.				Increase (+) Decrease (—) as compared with Budget, 1922-23.
	India.	England.	Exchange.	Total.	
	Rs.	Rs.	Rs.	Rs.	Rs.
1	69,54,000	97,000	48,000	70,99,000	+2,84,000
2	45,17,000	47,000	24,000	45,88,000	—80,000
3	1,59,77,000	65,000	32,000	1,60,74,000	—12,55,000
4	1,87,91,000	51,000	26,000	1,88,68,000	+2,47,000
5	13,31,000	31,000	15,000	13,77,000	—1,77,000
6	2,71,000	21,000	11,000	3,03,000	+19,000
7	—28,81,000	20,00,000	10,00,000	1,19,000	—7,57,000
8	1,44,000	...	...	1,44,000	—1,66,000
9	35,57,000	6,00,000	3,00,000	44,57,000	—3,70,000
10	44,000	...	...	44,000	—4,000
11	4,87,05,000	29,12,000	14,56,000	5,30,73,000	—22,59,000
12	10,58,98,000	4,25,23,000	2,12,62,000	16,96,83,000	+27,09,000
13	4,05,000	2,18,66,000	1,09,33,000	3,32,04,000	—4,44,000
14	...	3,35,75,000	1,67,87,000	5,03,62,000	...
15	...	30,74,000	15,37,000	46,11,000	+29,000
16	10,80,000	...	...	10,80,000	—9,03,000
17	10,10,000	16,27,000	8,14,000	34,51,000	+11,47,000
18	10,83,93,000	10,26,65,000	5,13,33,000	26,23,91,000	+25,38,000
19	10,76,000	...	...	10,76,000	+1,25,000
20	1,14,000	...	...	1,14,000	—19,000
21	11,90,000	...	...	11,90,000	+1,06,000
	15,82,88,000	10,55,77,000	5,27,89,000	31,66,54,000	+3,85,000

BUDGET ESTIMATE, 1923-24.

India.	England.*	Exchange.	TOTAL.	Item Number.
Rs.	Rs.	Rs.	Rs.	
75,84,000	90,000	45,000	77,19,000	1
62,87,000	61,000	31,000	63,79,000	2
1,54,50,000	56,000	28,000	1,55,34,000	3
1,88,42,000	59,000	30,000	1,89,31,000	4
11,62,000	21,000	10,000	11,93,000	5
2,53,000	14,000	7,000	2,74,000	6
—37,83,000	27,00,000	13,50,000	2,67,000	7
43,000	...	...	43,000	8
40,42,000	4,43,000	2,21,000	47,06,000	9
42,000	...	...	42,000	10
4,99,22,000	34,44,000	17,22,000	5,50,88,000	11
12,16,05,000	4,41,23,000	2,20,62,000	18,77,90,000	12
3,69,000	2,12,41,000	1,06,20,000	3,22,30,000	13
...	3,35,75,000	1,67,87,000	5,03,62,000	14
...	32,73,000	16,37,000	49,10,000	15
25,90,000	...	...	25,90,000	16
—11,26,000	15,84,000	7,92,000	12,50,000	17
12,34,38,000	10,37,96,000	5,18,98,000	27,91,32,000	18
10,88,000	...	..	10,88,000	19
1,16,000	...	...	1,16,000	20
12,04,000	...	...	12,04,000	21
17,45,64,000	10,72,40,000	5,36,20,000	33,54,24,000	

* Sterling converted into Rupees at £1=Rs. 10.

of the Central Government, in India and in England.

Item Number.	Budget Estimate, 1923-24. Increase (+) Decrease (—) as compared with Budget, 1922-23.	Increase (+) Decrease (—) as compared with Revised, 1922-23.	Distribution of Total between Voted	Non-voted.	Heads of Expenditure.
	Rs.	Rs.	Rs.	Rs.	**Direct Demands on the Revenues—**
1	+9,04,000	+6,20,000	67,22,000	9,97,000	1.—Customs.
2	+17,11,000	+17,91,000	60,97,000	3,72,000	2.—Taxes on income.
3	—17,95,000	—5,40,000	1,14,97,000	40,37,000	3.—Salt.
4	+3,10,000	+63,000	1,87,76,000	1,55,000	4.—Opium.
5	—3,61,000	—1,84,000	10,86,000	1,07,000	5.—Land Revenue.
6	—10,000	—29,000	1,52,000	1,22,000	6.—Excise.
7	—6,09,000	+1,48,000	2,89,000	21,000	7.—Stamps— (A.—Non-judicial. B.—Judicial.
8	—2,67,000	—1,01,000			
9	—1,21,000	+2,49,000	40,72,000	6,34,000	8.—Forests.
10	—6,000	—2,000	38,000	4,000	9.—Registration.
11	—2,44,000	+20,15,000	4,86,39,000	64,49,000	Total
					Railway Revenue Account—
12	+2,08,16,000	+1,81,07,000	...	18,77,90,000	10.—State Railways— Interest on Debt.
13	—14,18,000	—9,74,000	...	3,22,30,000	Interest on Capital contributed by Companies.
14	...	...	...	5,03,62,000	Annuities in purchase of Railways.
15	+3,28,000	+2,99,000	...	49,10,000	Sinking Funds.
16	+6,07,000	+15,10,000	25,90,000	...	11.—Subsidised Companies.
17	—10,54,000	—22,01,000	5,69,000	6,81,000	12.—Miscellaneous Railway Expenditure.
18	+1,92,79,000	+1,67,41,000	31,59,000	27,59,73,000	Total
					Irrigation, etc., Revenue Accounts—
					14.—Works for which Capital accounts are kept—
19	+1,37,000	+12,000	...	10,88,000	Interest on Debt.
20	—17,000	+2,000	1,16,000	...	15.—Other Revenue Expenditure.
21	+1,20,000	+14,000	1,16,000	10,88,000	Total
	+1,91,55,000	1,87,70,000	5,19,14,000	28,35,10,000	Carried over

B.—Statement of the Expenditure charged to the Revenue

Heads of Expenditure.	Accounts, 1921-22. India.	England.*	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward	14,07,62,252	10,31,88,303	5,31,18,513	29,70,69,068	
Irrigation, etc., Capital Account (charged to Revenue)—					
16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues	74,157	...	...	74,157	22
Posts and Telegraphs Revenue Account—					
17.—Posts and Telegraphs—Interest on Debt	56,81,015	...	...	56,81,015	23
Miscellaneous Expenditure	...	...	...	...	24
Total	56,81,015	...	...	56,81,015	25
Posts and Telegraphs Capital Account (charged to Revenue)—					
18.—Capital outlay on Posts and Telegraphs—Indo-European Telegraph Department	−42,92,577	1,00,72,358	51,39,701	1,09,19,482	26
Debt Services—					
19.—Interest on Ordinary Debt	19,05,17,484	7,23,92,711	3,70,80,095	29,99,90,290	27
Deduct—Amount chargeable to—					
Railways	*9,22,00,832*	*4,24,61,280*	*2,16,85,936*	*15,63,48,048*	28
Irrigation	*12,18,481*	...	...	*12,18,481*	29
Posts and Telegraphs	*56,81,015*	...	...	*56,81,015*	30
Provincial Governments	*2,58,41,800*	...	...	*2,58,41,800*	31
Remainder chargeable to Ordinary Debt	6,55,75,356	2,99,31,431	1,53,94,159	11,09,00,946	32
20.—Interest on other Obligations	2,60,97,497	...	...	2,60,97,497	33
21.—Sinking Funds	1,54,00,000	50,00,000	25,71,571	2,29,71,571	34
Total	10,70,72,853	3,49,31,431	1,79,65,730	15,99,70,014	35
Carried over	24,92,97,700	14,81,92,092	7,62,23,944	47,37,13,736	36

* Sterling converted into Rupees at £1 = Rs. 10.

Item Number.	Revised Estimate, 1922-23.				
	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1922-23.
	Rs.	Rs.	Rs.	Rs.	Rs.
	15,82,88,000	10,55,77,000	5,27,89,000	31,66,54,000	+3,85,000
22	35,000	...	...	35,000	...
23	62,05,000	...	...	62,05,000	—3,95,000
24	—54,13,000	41,00,000	20,50,000	(a)7,37,000	—24,24,000
25	7,92,000	41,00,000	20,50,000	69,42,000	—28,19,000
26	—5,02,000	1,35,000	67,000	—3,00,000	—2,71,000
27	17,54,00,000	8,66,11,000	4,33,06,000	30,53,17,000	+2,23,86,000
28	*10,58,98,000*	*4,25,23,000*	*2,12,62,000*	*16,96,83,000*	—2,40,22,000
29	*10,76,000*	...	...	*10,76,000*	—1,25,000
30	*62,05,000*	...	...	*62,05,000*	+3,95,000
31	*3,10,54,000*	...	...	*3,10,54,000*	—10,81,000
32	3,11,67,000	4,40,88,000	2,20,44,000	9,72,99,000	—19,47,000
33	3,15,01,000	60,000	30,000	3,15,91,000	—7,72,000
34	1,54,00,000	50,00,000	25,00,000	2,29,00,000	+25,00,000
35	7,80,68,000	4,91,48,000	2,45,74,000	15,17,90,000	—2,19,000
36	23,66,81,000	15,89,60,000	7,94,80,000	47,51,21,000	—29,24,000

(a) The corresponding actuals for 1921-22, are included under "18—Capital Outlay on Posts and Telegraphs."

BUDGET ESTIMATE, 1923-24.				
India.	* England.	Exchange.	TOTAL.	Item Number.
Rs.	Rs.	Rs.	Rs.	
17,45,64,000	10,72,40,000	5,36,20,000	33,54,24,000	
2,15,000	1,000	...	2,16,000	22
68,28,000	...	...	68,28,000	23
—46,05,000	25,00,000	12,50,000	—8,55,000	24
22,23,000	25,00,000	12,50,000	59,73,000	25
—6,56,000	2,25,000	1,12,000	—3,19,000	26
20,29,30,000	10,04,95,000	5,02,48,000	35,36,73,000	27
12,16,05,000	*4,41,23,000*	*2,20,62,000*	*18,77,90,000*	28
10,88,000	...	...	*10,88,000*	29
68,28,000	...	...	*68,28,000*	30
4,00,15,000	...	...	*4,00,15,000*	31
3,33,94,000	5,63,72,000	2,81,86,000	11,79,52,000	32
3,21,07,000	36,000	18,000	3,21,61,000	33
1,54,00,000	44,29,000	22,15,000	2,20,44,000	34
8,09,01,000	6,08,37,000	3,04,19,000	17,21,57,000	35
25,72,47,000	17,08,03,000	8,54,01,000	51,34,51,000	36

* Sterling converted into Rupees at £1=Rs. 10.

of the Central Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1923-24. Increase (+) Decrease (—) as compared with Budget, 1922-23.	Increase (+) Decrease (—) as compared with Revised, 1922-23.	Distribution of Total between Voted.	Non-voted.	Heads of Expenditure.
	Rs.	Rs.	Rs.	Rs.	
	+1,91,55,000	+1,87,70,000	5,19,14,000	28,35,10,000	Brought forward.
					Irrigation, etc., Capital Account (charged to Revenue)—
22	+1,81,000	+1,81,000	2,16,000	...	16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues.
					Posts and Telegraphs Revenue Account—
23	+2,28,000	+6,23,000	...	68,28,000	17.—Posts and Telegraphs—Interest on Debt.
24	−40,16,000	−15,92,000	−8,55,000	...	Miscellaneous Expenditure.
25	−37,88,000	−9,69,000	−8,55,000	68,28,000	Total
					Posts and Telegraphs Capital Account (charged to Revenue)—
26	−2,90,000	−19,000	−3,19,000	...	18.—Capital outlay on Posts and Telegraphs—Indo-European Telegraph Department.
					Debt Services—
27	+7,12,42,000	+4,83,56,000	...	...	19.—Interest on Ordinary Debt.
					Deduct—Amount chargeable to—
28	−4,21,29,000	−1,81,07,000	...	...	Railways.
29	−1,37,000	−12,000	...	...	Irrigation.
30	−2,28,000	−6,23,000	...	...	Posts and Telegraphs.
31	−1,00,42,000	−89,61,000	...	...	Provincial Governments.
32	+1,87,06,000	+2,06,53,000	22,000	11,79,30,000	Remainder chargeable to Ordinary Debt.
33	−2,02,000	+5,70,000	3,21,07,000	54,000	20.—Interest on other Obligations.
34	+16,44,000	−8,56,000	...	2,20,44,000	21.—Sinking Funds.
35	+2,01,48,000	+2,03,67,000	3,21,29,000	14,00,28,000	Total
136	+3,54,06,000	+3,83,30,000	8,30,85,000	43,03,66,000	Carried over

B.—Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1921-22. India.	* England.	Exchange.	Total.	Item Number.
Brought forward	Rs. 24,92,97,700	Rs. 14,81,92,092	Rs. 7,62,23,944	Rs. 47,37,13,736	
Civil Administration—					
22.—General Administration—					
A.—Heads of Provinces (including Governor General) and Executive Councils					1
B.—Legislative Bodies					2
C.—Secretariat and headquarters establishment	1,28,48,917	...	..	1,28,48,917	3
D.—Commissioners					4
E.—District Administrations					5
F.—Home Administration, etc.	...	42,33,257	21,77,224	64,10,481	6
23.—Audit	66,33,288	2,72,844	1,40,327	70,46,459	7
24.—Administration of Justice	9,81,071	34,743	17,869	10,33,683	8
25.—Jails and Convict Settlements	44,97,869	11,959	6,151	45,15,979	9
26.—Police	86,14,446	93,138	47,902	87,55,486	10
27.—Ports and Pilotage	21,64,743	1,55,537	79,995	24,00,275	11
28.—Ecclesiastical	26,50,022	2,64,440	1,36,005	30,50,467	12
29.—Political	2,13,20,046	8,20,122	4,21,801	2,25,61,969	13
30.—Scientific Departments	1,05,93,741	3,91,250	2,01,226	1,11,86,217	14
31.—Education	30,33,986	72,312	37,191	31,43,489	15
32.—Medical	27,48,814	2,08,411	1,07,189	30,64,414	16
33.—Public Health	15,82,030	38,588	19,846	16,40,464	17
34.—Agriculture	19,37,228	90,065	46,322	20,73,615	18
35.—Industries	24,137	68,545	35,254	1,27,936	19
36.—Aviation	87,572	299	154	88,025	20
37.—Miscellaneous Departments	38,73,043	1,71,119	88,069	41,32,171	21
Total	8,35,90,953	69,26,629	35,62,465	9,40,80,047	22
Currency, Mint and Exchange—					
38.—Currency	27,84,437	41,54,075	21,36,500	90,75,012	23
39.—Mint	15,94,405	52,099	26,795	16,73,299	24
40.—Exchange	...	...	...	...	25
Total	43,78,842	42,06,174	21,63,295	1,07,48,311	26
Carried over	33,72,67,495	15,93,24,895	8,19,49,704	57,85,42,094	

* Sterling converted into Rupees at £1=Rs. 10.

REVISED ESTIMATE, 1922-23.

Item Number.	India.	* England.	Exchange.	TOTAL.	Increase (+) Decrease (—) as compared with Budget, 1922-23.
	Rs. 23,66,81,000	Rs. 15,89,60,000	Rs. 7,94,80,000	Rs. 47,51,21,000	Rs. —29,24,000
1	25,61,000	...	...	25,61,000	+5,12,000
2	8,28,000	...	...	8,28,000	—22,000
3	79,21,000	...	...	79,21,000	—1,10,000
4	...	...	...	...	...
5	17,46,000	...	...	17,46,000	+1,32,000
6	...	52,45,000	26,23,000	78,68,000	+31,77,000
7	72,41,000	3,27,000	1,63,000	77,31,000	—4,45,000
8	9,84,000	87,000	44,000	11,15,000	+1,13,000
9	44,65,000	35,000	17,000	45,17,000	+94,000
10	86,52,000	1,75,000	88,000	89,15,000	+7,89,000
11	20,74,000	2,35,000	1,17,000	24,26,000	—82,000
12	26,84,000	2,90,000	1,45,000	31,19,000	—1,23,000
13	2,80,73,000	6,51,000	3,26,000	2,90,50,000	+1,51,000
14	85,51,000	6,55,000	3,28,000	95,34,000	—12,84,000
15	30,48,000	55,000	28,000	31,31,000	—1,19,000
16	24,79,000	4,20,000	2,10,000	31,09,000	+11,000
17	15,98,000	60,000	30,000	16,88 000	+88,000
18	19,72,000	81,000	40,000	20,93,000	—1,76,000
19	15,000	28,000	14,000	57,000	—87,000
20	40,000	2,000	1,000	43,000	—5,000
21	20,79,000	3,83,000	1,91,000	26,53,000	+85,000
22	8,70,11,000	87,29,000	43,65,000	10,01,05,000	+26,99,000
23	29,02,000	40,90,000	20,45,000	90,37,000	+26,07,000
24	17,85,000	71,000	35,000	18,91,000	—3,01,000
25	...	...	50,00,000	50,00,000	—9,45,50,000
26	46,87,000	41,61,000	70,80,000	1,59,28,000	—9,22,44,000
	32,83,79,000	17,18,50,000	9,09,25,000	59,11,54,000	—9,24,69,000

BUDGET ESTIMATE, 1923-24.

India.	* England.	Exchange.	TOTAL.	Item Number.
Rs. 25,72,47,000	Rs. 17,08,03,000	Rs. 8,54,01,000	Rs. 51,34,51,000	
24,35,000	...	...	24,35,000	1
9,18,000	...	...	9,18,000	2
79,12,000	...	...	79,12,000	3
14,000	...	...	14,000	4
16,69,000	...	...	16,69,000	5
...	30,09,000	15,05,000	45,14,000	6
75,62,000	2,52,000	1,26,000	79,40,000	7
10,81,000	82,000	41,000	12,04,000	8
40,49,000	27,000	13,000	40,89,000	9
87,65,000	1,22,000	61,000	89,48,000	10
22,05,000	2,41,000	1,21,000	25,67,000	11
29,03,000	2,83,000	1,41,000	33,27,000	12
3,24,28,000	4,72,000	2,36,000	3,31,36,000	13
90,99,000	7,74,000	3,87,000	1,02,60,000	14
33,75,000	74,000	37,000	34,86,000	15
25,58,000	3,36,000	1,68,000	30,62,000	16
21,17,000	52,000	26,000	21,95,000	17
20,40,000	84,000	42,000	21,66,000	18
45,000	21,000	10,000	76,000	19
44,000	...	...	44,000	20
19,56,000	18,11,000	9,06,000	46,73,000	21
9,31,75,000	76,40,000	38,20,000	10,46,35,000	22
30,39,000	43,00,000	21,50,000	94,89,000	23
17,37,000	79,000	40,000	13,56,000	24
...	...	...	...	25
47,76,000	43,79,000	21,90,000	1,13,45,000	26
35,51,98,000	18,28,22,000	9,14,11,000	62,94,31,000	

* Sterling converted into Rupees at £1 = Rs. 10.

of the Central Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1923-24. Increase (+) Decrease (—) as compared with Budget, 1922-23.	Increase (+) Decrease (—) as compared with Revised, 1922-23.	Distribution of Total between Voted.	Non-voted.	Heads of Expenditure.
	Rs. +3,54,06,000	Rs. +3,83,30,000	Rs. 8,30,85,000	Rs. 43,03,66,000	Brought forward.
					Civil Administration—
					22.—General Administration—
					A.—Heads of Provinces (including Governor General) and Executive Councils.
1	+3,86,000	—1,26,000			
2	+68,000	+90,000			B.—Legislative Bodies.
					C.—Secretariat and headquarters establishment.
3	—1,19,000	—9,000	1,10,16,000	64,46,000	
4	+14,000	+14,000			D.—Commissioners.
					E.—District Administration.
5	+55,000	—77,000			
					F.—Home Administration, etc.
6	—1,77,000	—33,54,000			
7	—2,36,000	+2,09,000	70,72,000	8,68,000	23.—Audit.
8	+2,02,000	+89,000	7,75,000	4,29,000	24.—Administration of Justice.
9	—3,34,000	—4,28,000	38,73,000	2,16,000	25.—Jails and Convict Settlements.
10	+8,22,000	+33,000	79,56,000	9,92,000	26.—Police.
11	+59,000	+1,41,000	11,29,000	14,38,000	27.—Ports and Pilotage.
12	+85,000	+2,08,000	...	33,27,000	28.—Ecclesiastical.
13	+42,37,000	+40,86,000	...	3,31,36,000	29.—Political.
14	—5,58,000	+7,26,000	81,61,000	20,99,000	30.—Scientific Department.
15	+2,36,000	+3,55,000	28,04,000	6,82,000	31.—Education.
16	—36,000	—47,000	20,24,000	10,38,000	32.—Medical.
17	+5,95,000	+5,07,000	10,94,000	11,01,000	33.—Public Health.
18	—1,03,000	+73,000	16,79,000	4,87,000	34.—Agriculture.
19	—68,000	+19,000	55,000	21,000	35.—Industries.
20	—4,000	+1,000	29,000	15,000	36.—Aviation.
21	+21,05,000	+20,20,000	43,35,000	3,38,000	37.—Miscellaneous Departments.
22	+72,29,000	+45,30,000	5,20,03,000	5,26,33,000	Total
					Currency, Mint and Exchange—
23	+30,59,000	+4,52,000	92,89,000	2,00,000	38.—Currency.
24	—3,36,000	—35,000	16,64,000	1,92,000	39.—Mint.
25	—9,95,50,000	—50,00,000	...	...	40.—Exchange.
26	—9,68,27,000	—45,83,000	1,09,53,000	3,92,000	Total
	—5,41,92,000	+3,82,77,000	14,60,40,000	48,33,91,000	Carried over.

B.—Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1921-22. India.	* England.	Exchange.	Total.	Item Number.
Brought forward	Rs. 33,72,67,495	Rs. 15,93,24,895	Rs. 8,19,49,704	Rs. 57,85,42,094	
Civil Works—					
41.—Civil Works	1,51,30,197	1,91,508	98,495	1,54,20,200	27
Miscellaneous—					
43.—Famine Relief and Insurance— A.—Famine Relief	2,91,738	...	...	2,91,738	28
44.—Territorial and Political Pensions	28,03,614	1,15,529	59,418	29,78,561	29
45.—Superannuation Allowances and Pensions	29,50,461	2,07,76,801	1,06,85,803	3,44,13,065	30
46.—Stationery and Printing	57,05,101	14,84,975	7,63,744	79,53,820	31
47.—Miscellaneous	69,07,930	22,09,759	11,36,510	1,02,54,199	32
Total	1,86,58,844	2,45,87,064	1,26,45,475	5,58,91,383	33
Lump allowance for further retrenchment in Civil Expenditure (including Railways)	...	...	...	...	34
Military Services.					
48.—Army—					
Effective	49,65,16,677	8,25,25,297	5,96,05,751	70,85,71,984	35
Non-effective	3,65,55,901	3,33,68,358			36
	53,30,72,578	11,58,93,655	5,96,05,751	70,85,71,984	37
49.—Marine	1,10,20,393	40,65,559	20,90,974	1,71,76,626	38
50.—Military Works	5,12,03,112	12,19,442	6,27,176	5,30,49,730	39
Total	59,52,95,783	12,11,78,656	6,23,23,901	77,87,98,340	40
Contributions and Assignments to the Central Government by Provincial Governments—					
52.—Miscellaneous adjustments between the Central and Provincial Governments	...	...	...	...	41
Total Expenditure charged to Revenue	96,63,52,319	30,52,82,123	15,70,17,575	1,42,86,52,017	42

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1922-23.				
	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1922-23.
	Rs.	Rs.	Rs.	Rs.	Rs.
	32,83,79,000	17,18,50,000	9,09,25,000	59,11,54,000	− 9,24,69,000
27	1,48,07,000	1,29,000	65,000	1,50,01,000	—11,48,000
28	57,000	...	...	57,000	+ 30,000
29	27,90,000	1,16,000	58,000	29,64,000	—1,20,000
30	38,75,000	2,19,71,000	1,09,86,000	3,68,32,000	+ 1,21,07,000
31	39,42,000	14,92,000	7,46,000	61,80,000	—4,56,000
32	46,82,000	15,45,000	7,72,000	69,99,000	+ 8,80,000
33	1,53,46,000	2,51,24,000	1,25,62,000	5,30,32,000	+ 1,24,41,000
34	...	...	...	...	...
35	44,12,88,000	8,22,92,000	4,11,46,000	56,47,26,000	+ 2,18,26,000
36	4,16,67,000	3,45,30,000	1,72,65,000	9,34,62,000	+ 1,93,29,000
37	48,29,55,000	11,68,22,000	5,84,11,000	65,81,88,000	+ 4,11,55,000
38	89,56,000	28,09,000	14,05,000	1,31,70,000	—2,26,000
39	4,90,04,000	17,45,000	8,72,000	5,16,21,000	+ 48,36,000
40	54,09,15,000	12,13,76,000	6,06,88,000	72,29,79,000	+ 4,57,65,000
41	3,86,000	...	...	3,86,000	—59,43,000
42	89,98,33,000	31,84,79,000	16,42,40,000	1,38,25,52,000	—4,13,54,000

BUDGET ESTIMATE, 1923-24.

India.	England.*	Exchange.	TOTAL.	Item Number
Rs. 35,51,98,000	Rs. 18,28,22,000	Rs. 9,14,11,000	Rs. 62,94,31,000	
1,86,19,000	96,000	48,000	1,87,63,000	27
5,000	...	...	5,000	28
28,12,000	1,16,000	58,000	29,86,000	29
41,55,000	2,04,05,000	1,02,02,000	3,47,62,000	30
44,02,000	19,03,000	9,52,000	72,57,000	31
50,06,000	13,98,000	6,99,000	71,03,000	32
1,63,80,000	2,38,22,000	1,19,11,000	5,21,13,000	33
—4,00,00,000	...	...	—4,00,00,000	34
41,29,55,000	6,18,13,000	3,09,07,000	50,56,75,000	35
3,70,12,000	3,56,30,000	1,78,15,000	9,04,57,000	36
44,99,67,000	9,74,43,000	4,87,22,000	59,61,32,000	37
59,01,000	24,90,000	12,45,000	96,36,000	38
4,15,98,000	5,05,000	2,52,000	4,23,55,000	39
49,74,66,000	10,04,38,000	5,02,19,000	64,81,23,000	40
3,62,000	...	...	3,62,000	41
84,80,25,000	30,71,78,000	15,35,89,000	1,30,87,92,000	42

* Sterling converted into Rupees at £1=Rs. 10.

of the Central Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1923-24. Increase (+) Decrease (—) as compared with Budget, 1922-23.	Increase (+) Decrease (—) as compared with Revised, 1922-23.	Distribution of Total between Voted.	Non-voted.	Heads of Expenditure.
	Rs. —5,41,92,000	Rs. +3,82,77,000	Rs. 14,60,40,000	Rs. 48,33,91,000	Brought forward.
					Civil Works—
27	+26,14,000	+37,62,000	1,27,07,000	60,56,000	41.—Civil Works.
					Miscellaneous—
					43.—Famine Relief and Insurance—
28	—22,000	—52,000	5,000	...	A.—Famine Relief.
29	—98,000	+22,000	...	29,86,000	44.—Territorial and Political Pensions.
30	+1,00,37,000	—20,70,000	50,37,000	2,97,25,000	45.—Superannuation Allowances and Pensions.
31	+6,21,000	+10,77,000	72,06,000	51,000	46.—Stationery and Printing
32	+9,84,000	+1,04,000	42,22,000	28,81,000	47.—Miscellaneous.
33	+1,15,22,000	—9,19,000	1,64,70,000	3,56,43,000	Total
34	—4,00,00,000	—4,00,00,000	—4,00,00,000	...	Lump allowance for further retrenchment in Civil Expenditure (including Railways).
					Military Services—
					48.—Army—
35	—3,72,25,000	—5,90,51,000	...	50,56,75,000	Effective.
36	+1,63,24,000	—30,05,000	...	9,04,57,000	Non-effective.
37	—2,09,01,000	—6,20,56,000	...	59,61,32,000	
38	—37,60,000	—35,34,000	...	96,36,000	49.—Marine.
39	—44,30,000	—92,66,000	...	4,23,55,000	50.—Military Works.
40	—2,90,91,000	—7,48,56,000	...	64,81,23,000	Total
					Contributions and Assignments to the Central Government by Provincial Governments—
41	—59,67,000	—24,000	3,62,000	...	52. Miscellaneous adjustments between the Central and Provincial Governments.
42	—11,51,14,000	—7,37,60,000	13,55,79,000	1,17,32,13,000	Total Expenditure charged to Revenue.

C.—Statement of Receipts and Disbursements of the

RECEIPTS.	ACCOUNTS, 1921-22.		
	India.	* England.	* TOTAL.
	Rs.	Rs.	Rs.
Revenue (from Statement A)	1,09,14,24,581	4,01,44,664	1,13,15,69,245
Exchange added to Revenue	2,05,81,072	...	2,05,81,072
Total	1,11,20,05,653	4,01,44,664	1,15,21,50,317
Excess of Revenue over Expenditure charged to Revenue			—27,65,01,700
Railway Capital not charged to Revenue—			
Capital contributed by Railway Companies and Indian States towards outlay on State Railways	18,88,170	45,00,000	63,88,170
Public Debt Incurred—			
Permanent Debt—			
Sterling Debt—			
New Sterling Loan	...	...	
7 per cent. Stock	...	7,50,00,000	
5½ per cent. Stock	...	6,86,71,413	
4½ per cent. Stock	...	...	
Rupee Debt—			
New Rupee Loan	...	...	
6 per cent. Bonds, 1932	...	...	
6 per cent. Bonds, 1931	11,30,75,300	...	
6 per cent. Bonds, 1930	—7,98,500	...	
6 per cent. Bonds, 1926	37,89,74,400	...	
6 per cent. Bonds, 1927	...	...	
5½ per cent. War Bonds, 1923	14,100	...	
5½ per cent. War Bonds, 1920	—200	...	
5½ per cent. War Bonds, 1921	—2,000	...	
3½ per cent. Loans	...	...	
Total	49,13,53,100	14,36,71,413	63,50,24,513
Net			42,26,70,108
Floating Debt—			
Treasury Bills—			
Issued to Public	76,35,45,000	...	
Issued to Paper Currency Reserve	62,95,00,000	...	
Other Floating Loans	15,00,00,000	...	
Total	1,54,30,45,000	...	1,54,30,45,000
Net			6,92,60,000
Unfunded Debt—			
Post Office Cash Certificates	47,98,217	...	
Deposits of Service Funds	16,16,231	17,898	
Savings Bank Deposits	27,20,30,946	3,80,177	
Total	27,84,45,394	3,98,075	27,88,43,469
Net			4,62,46,893
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	11,44,58,945	...	
Other Funds	8,29,37,619	...	
Deposits of Branch Lines Companies	7,36,040	...	
Sinking Funds for Central Loans	1,54,00,000	...	
Other Sinking Fund Deposits	3,00,544	...	
Gold Standard Reserve	...	97,08,37,535	
Paper Currency Reserve	3,40,64,437	37,10,31,640	
Departmental and Judicial Deposits	79,79,05,846	...	
Advances	13,25,76,566	2,46,23,447	
Suspense Accounts	6,32,84,086	26,73,678	
Exchange on Remittance Accounts	11,36,82,631	...	
Miscellaneous	5,26,75,082	94,73,033	
Total	1,40,80,21,796	1,37,86,39,333	2,78,66,61,129
Net			18,71,20,018
Carried over to pages 44 and 45	4,83,47,59,113	1,56,73,53,485	

*Sterling converted into Rupees at £1=Rs. 10.

Central Government, in India and in England.

Revised Estimate, 1922-23.			Budget Estimate, 1923-24.		
India.	* England.	Total.	India.	* England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,18,60,80,000	1,59,58,000	1,20,20,38,000	1,28,28,57,000	1,88,76,000	1,30,17,33,000
79,79,000	...	79,79,000	94,38,000	...	94,38,000
1,19,40,59,000	1,59,58,000	1,21,00,17,000	1,29,22,95,000	1,88,76,000	1,31,11,71,000
		—17,25,35,000			23,79,000
8,93,000	17,85,000	26,78,000	1,50,42,000	3,00,84,000	4,51,26,000
...	...		...	15,14,08,000	
...	...		...	...	
...	14,55,10,000		...	...	
...	17,00,00,000		...	...	
...	...		25,00,00,000	...	
19,48,92,000	...		...	...	
...	...		...	...	
...	...		...	...	
...	...		...	...	
27,37,83,000	...		...	...	
...	...		...	...	
...	...		...	...	
...	...		...	...	
6,86,000	...		3,00,000	...	
46,93,61,000	31,55,10,000	78,48,71,000	25,03,00,000	15,14,08,000	40,17,08,000
		66,45,36,000			33,15,56,000
46,00,00,000	...		40,50,00,000	...	
49,65,00,000	...		49,65,00,000	...	
...	...		...	...	
95,65,00,000	...	95,65,00,000	90,15,00,000	...	90,15,00,000
		0			0
73,00,000	...		1,28,00,000	...	
14,52,000	20,000		14,43,000	20,000	
24,53,39,000	1,40,000		26,50,90,000	1,20,000	
25,45,91,000	1,60,000	25,47,51,000	27,93,33,000	1,40,000	27,94,73,000
		3,14,11,000			5,01,85,000
11,83,48,000	...		11,76,08,000	...	
8,41,47,000	...		8,17,31,000	...	
15,31,000	...		23,69,000	...	
1,54,00,000	...		1,54,00,000	...	
3,13,000	...		3,25,000	...	
...	1,41,24,21,000		...	1,42,06,73,000	
2,17,90,000	24,19,80,000		...	5,84,50,000	
78,21,25,000	...		77,10,50,000	...	
19,15,95,000	1,50,09,000		17,12,65,000	53,38,000	
2,60,22,000	...		83,00,000	...	
16,67,96,000	...		9,29,28,000	...	
10,21,24,000	82,47,000		1,77,30,000	55,55,000	
1,51,06,91,000	1,67,76,57,000	3,18,83,48,000	1,27,87,06,000	1,49,00,16,000	2,76,87,22,000
		17,98,76,000			12,31,17,000
4,38,60,95,000	2,01,10,70,000		4,01,71,76,000	1,69,05,24,000	

C.—Statement of Receipts and Disbursements of the

Disbursements.	Accounts, 1921-22. India.	* England.	Total.
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	96,63,52,319	30,52,82,123	1,27,16,34,442
Exchange charged as Expenditure	15,70,17,575	...	15,70,17,575
Total	1,12,33,69,894	30,52,82,123	1,42,86,52,017
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—			
Construction of State Railways	9,39,92,306	13,56,46,629	22,96,38,935
Payments for discharge of debentures	2,85,276	5,00,000	7,85,276
Construction of Irrigation Works	1,18,054	126	1,18,180
Capital outlay on Indian Postal and Telegraph Department	81,61,617	...	81,61,617
Initial expenditure on new Capital at Delhi	1,19,29,639	15,97,779	1,35,27,418
Public Debt Discharged—			
Permanent Debt—			
Rupee Debt—			
5½ p. c. War Bonds, 1920	38,09,785	...	
Do. Do. 1921	15,35,92,150	...	
Do. Do. 1922	3,56,46,575	...	
Do. Do. 1923	...	...	
5½ p. c. War Bonds, 1925	400	...	
5 p. c. War Loan, 1929-47	64,86,125	...	
5 p. c. Loan, 1945-55	1,15,13,200	...	
4 p. c. Loans	12,00,000	...	
3½ p. c. Loans	9,958	...	
3 p. c. Loans	96,200	...	
Government Stock notes	12	...	
Total	21,23,54,405	...	21,23,54,405
Net			0
Floating Debt—			
Treasury Bills—			
Issued to Public	66,05,85,000	...	
Do. Paper Currency Reserve	66,32,00,000	...	
Other Floating Loans	15,00,00,000	...	
Total	1,47,37,85,000	...	1,47,37,85,000
Net			0
Unfunded Debt—			
Post Office Cash Certificates	91,41,448	...	
Special Loans	12,206	...	
Deposits of Service Funds	15,06,242	* 6,727	
Savings Bank Deposits	22,19,18,329	11,624	
Total	23,25,78,225	18,351	23,25,96,576
Net			0
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	11,85,26,408	...	
Other Funds	8,55,34,553	...	
Deposits of Branch Line Companies	7,17,179	...	
Sinking Funds for Central Loans	1,36,75,346	...	
Gold Standard Reserve	10	97,08,68,609	
Paper Currency Reserve	3,35,63,836	37,10,31,640	
Departmental and Judicial Deposits	79,05,13,616	...	
Advances	15,03,37,702	2,40,47,448	
Suspense Accounts	3,02,46,896	...	
Exchange on Remittance Accounts	...	...	
Miscellaneous	3,15,935	1,01,61,933	
Total	1,22,34,31,481	1,37,61,09,630	2,59,95,41,111
Net			0
Carried over to pages 46 and 47	4,38,00,05,897	1,81,91,54,638	

* Sterling converted into Rupees at £ 1=Rs. 10.

Central Government, in India and in England.

REVISED ESTIMATE, 1922-23.			BUDGET ESTIMATE, 1923-24.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
89,98,33,000	31,84,79,000	1,21,83,12,000	84,80,25,000	30,71,78,000	1,15,52,03,000
16,42,40,000	...	16,42,40,000	15,35,89,000	...	15,35,89,000
1,06,40,73,000	31,84,79,000	1,38,25,52,000	1,00,16,14,000	30,71,78,000	1,30,87,92,000
10,91,25,000	10,44,80,000	21,36,05,000	19,63,95,000	19,00,00,000	(a) 38,63,95,000
20,00,000	40,00,000	60,00,000	1,50,42,000	3,00,84,000	4,51,26,000
1,99,000	1,000	2,00,000	22,000	...	(b) 22,000
1,10,36,000	...	1,10,36,000	96,22,000	...	(b) 96,22,000
1,72,93,000	18,57,000	1,91,50,000	1,88,42,000	8,58,000	(c) 1,97,00,000
9,00,000	...		12,77,000	...	
40,00,000	...		32,15,000	...	
7,15,00,000	...		44,52,000	...	
8,00,000	...		1,44,59,000	...	
...	...		...	...	
54,40,000	...		1,02,35,000	...	
1,37,24,000	...		74,45,000	...	
2,31,67,000	...		2,87,19,000	...	
4,000	...		...	...	
8,00,000	...		3,50,000	...	
...	...		...	...	
12,03,35,000	...	12,03,35,000	7,01,52,000	...	7,01,52,000
		0			0
78,41,00,000	...		46,00,00,000	...	
57,89,00,000	...		49,65,00,000	...	
...	...		...	...	
1,36,30,00,000	...	1,36,30,00,000	95,65,00,000	...	95,65,00,000
		40,65,00,000			5,50,00,000
2,00,00,000	...		1,75,00,000	...	
12,000	...		12,000	...	
15,03,000	1,00,000		15,36,000	3,00,000	
20,16,45,000	80,000		20,98,50,000	50,000	
22,31,60,000	1,80,000	22,33,40,000	22,89,38,000	3,50,000	22,92,88,000
		0			0
12,14,67,000	...		12,15,73,000	...	
8,42,27,000	...		8,23,71,000	...	
16,17,000	...		23,86,000	...	
1,70,22,000	...		1,54,02,000	...	
...	1,41,24,21,000		...	1,42,06,73,000	
8,16,00,000	24,19,80,000		...	5,84,50,000	
78,25,60,000	...		77,25,77,000	...	
19,26,98,000	1,57,75,000		15,93,73,000	63,57,000	
5,02,63,000	...		15,37,000	...	
...	...		...	...	
...	68,42,000		...	49,06,000	
1,33,14,54,000	1,67,70,18,000	3,00,84,72,000	1,15,52,19,000	1,49,03,86,000	2,64,56,05,000
		0			0
4,24,16,75,000	2,10,60,15,000		3,65,23,46,000	2,01,88,56,000	

(a) Of this amount, Rs. 2,02,000 is non-voted and the balance of Rs. 38,61,93,000 is voted.
(b) The whole of this amount is voted.
(c) Of this amount, Rs. 3,76,000 is non-voted and the balance of Rs. 1,93,24,000 is voted.

C.—Statement of Receipts and Disbursements of the

Receipts.	Accounts, 1921-22. India.	* England.	Total.
	Rs.	Rs.	Rs.
Brought forward from pages 40 and 41 .	4,83,47,59,113	1,56,73,53,485	
Loans and Advances by the Central Government	32,12,613	...	32,12,613
Net .			0
Loans between Central and Provincial Governments	77,18,222	...	77,18,222
Net .			0
Remittances—			
Inland Money Orders	84,87,76,638	...	
Other Local remittances . . .	...	...	
Other Departmental Accounts . .	5,004	...	
Net Receipts by Civil Treasuries from—			
Railways	5,08,74,190	...	
Net Receipts from Civil Treasuries by—			
Posts and Telegraphs	5,54,90,744	...	
Marine	2,34,59,882	...	
Army and Military Works . . .	55,98,40,510	...	
Remittance Account between England and India—			
Transfers through Paper Currency Reserve	2,90,060	2,50,11,590	
Remittances from India for financing Home Treasury	...	...	
Iraq drawings	290	5,46,29,217	
Recoverable War Expenditure . .	9,03,85,430	10,95,54,084	
Other transactions	25,20,53,178	14,69,98,039	
Total .	1,88,11,75,926	33,61,92,930	2,21,73,68,856
Net .			3,24,36,065
Secretary of State's Bills drawn . . .	...	...	...
Balances of Provincial Governments . .	...	...	...
Net .			0
Total Receipts .	6,72,68,65,874	1,90,35,46,415 (a)	
Opening Balance .	13,83,56,901	7,20,98,319	
GRAND TOTAL .	6,86,52,22,775	1,97,56,44,734	

* Sterling converted into Rupees at £1=Rs. 10.

(a) Of this amount, Rs. 48,828 represents the funds of the Gold Standard Reserve.

Central Government, in India and in England—*contd.*

Revised Estimate, 1922-23.			Budget Estimate, 1923-24.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4,38,60,95,000	2,01,10,70,000		4,01,71,76,000	1,69,05,24,000	
30,87,000	...	30,87,000	28,21,000	...	28,21,000
		18,99,000			6,67,000
1,13,05,000	...	1,13,05,000	80,37,000	...	80,37,000
		0			0
82,85,00,000	...		84,00,00,000	...	
45,28,55,000	...		4,78,27,000	...	
...	...		...	...	
7,44,60,000	...		2,95,74,000	...	
1,30,86,000	...		98,28,000	...	
1,14,13,000	...		78,28,000	...	
50,76,25,000	...		46,36,67,000	...	
...	...		...	...	
...	...		...	27,00,00,000	
...	3,03,00,000		...	2,75,00,000	
...	2,03,75,000		...	1,20,00,000	
4,54,97,000	6,88,61,000		3,12,21,000	2,49,16,000	
1,53,34,36,000	11,95,36,000	1,65,29,72,000	1,42,99,45,000	33,44,16,000	1,76,43,61,000
		0			0
...	3,27,00,000	3,27,00,000	...	...	...
3,22,18,000	...	3,22,18,000	1,08,74,000	...	1,08,74,000
		1,02,29,000			0
5,96,61,41,000	2,16,33,06,000		5,46,88,53,000	2,02,49,40,000	
25,66,13,170	(b) 8,99,53,817		21,33,56,170	(b) 8,04,01,817	
6,22,27,54,170	2,25,32,59,817		5,68,22,09,170	2,10,53,41,817	

(b) Of this amount, Rs. 17,753 represents the funds of the Gold Standard Reserve.

C.—Statement of Receipts and Disbursements of the

Disbursements.	Accounts, 1921-22. India.	England.*	Total.
Brought forward from pages 42 and 43.	Rs. 4,38,00,05,897	Rs. 1,81,91,54,638	Rs.
Loans and Advances by the Central Government	33,59,848	...	33,59,848
Net			1,47,235
Loans between Central and Provincial Governments	7,15,46,657	...	7,15,46,657
Net			6,38,28,435
Remittances—			
Inland Money Orders	85,28,83,993	...	
Other Local Remittances	64,20,043	...	
Other Departmental Accounts	3,72,583	...	
Net Payments into Civil Treasuries by—			
Railways	7,02,29,094	...	
Net Issues from Civil Treasuries to—			
Posts and Telegraphs	5,51,12,141	...	
Marine	2,37,36,845	...	
Army and Military Works	55,44,61,986	...	
Remittance Account between England and India—			
Transfers through Paper Currency Reserve	2,53,01,650	...	
Remittances from India for financing Home Treasury	...	...	
Iraq drawings	5,51,78,670	...	
Recoverable War Expenditure	19,54,32,100	...	
Other transactions	30,39,93,120	4,18,10,566	
Total	2,14,31,22,225	4,18,10,566	2,18,49,32,791
Net			0
Secretary of State's Bills paid	...	...	...
Balances of Provincial Governments	1,05,74,978	2,47,25,713	3,53,00,691
Net			3,53,00,691
Total Disbursements	6,60,86,09,605	1,88,56,90,917	
Closing Balance	25,66,13,170	(a) 8,99,53,817	
GRAND TOTAL	6,86,52,22,775	1,97,56,44,734	

* Sterling converted into Rupees at £1=Rs. 10.

Delhi,
Finance Department,
March 1, 1923.

M. F. GAUNTLETT,
Auditor General.

Central Government, in India and in England—*contd.*

Revised Estimate, 1922-23.			Budget Estimate, 1923-24.		
India.	* England.	Total.	India.	* England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4,24,16,75,000	2,10,60,15,000		3,65,23,46,000	2,01,88,56,000	
11,88,000	...	11,88,000	21,54,000	...	21,54,000
		0			0
12,56,16,000	...	12,56,16,000	14,27,14,000	...	14,27,14,000
		11,43,11,000			13,46,77,000
82,80,00,000	...		84,00,00,000	...	
5,16,05,000	...		4,69,33,000	...	
1,17,000	...		9,000	...	
6,89,60,000	...		2,95,74,000	...	
1,30,86,000	...		98,28,000	...	
1,14,13,000	...		78,28,000	...	
50,76,25,000	...		46,36,67,000	...	
...	...		...	...	
...	...		27,00,00,000	...	
3,03,00,000	...		2,75,00,000	...	
1,90,00,000	...		1,20,00,000	...	
8,31,13,000	4,48,54,000		3,98,09,000	2,02,28,000	
1,61,32,19,000	4,48,54,000	1,65,80,73,000	1,74,71,48,000	2,02,28,000	1,76,73,76,000
		51,01,000			30,15,000
2,77,00,000	...	2,77,00,000	50,00,000	...	50,00,000
...	2,19,89,000	2,19,89,000	...	2,37,04,000	2,37,04,000
		0			1,28,30,000
6,00,93,98,000	2,17,28,58,000		5,54,93,62,000	2,06,27,88,000	
21,33,56,170	(a) 8,04,01,817		13,28,47,170	(a) 4,25,53,817	
6,22,27,54,170	2,25,32,59,817		5,68,22,09,170	2,10,53,41,817	

(a) Of this amount, Rs. 17,753 represents the funds of the Gold Standard Reserve.

A. C. McWATTERS,
Controller of the Currency.

E. M. COOK,
Secretary to the Government of India.

D.—Abstract Statement of the Receipts and Disbursements of the

REVENUE AND EXPENDITURE.		Accounts, 1921-22.			
		Revenue.	Expenditure.	Net Receipts.	Net Charges.
		Rs.	Rs.	Rs.	Rs.
Principal Heads of Revenue	Customs	34,40,98,381	65,87,632	33,75,10,749	
	Taxes on Income	18,74,13,424	22,50,972	18,51,62,452	
	Salt	6,34,37,848	1,56,49,096	4,77,88,752	
	Opium	3,07,24,798	1,80,04,867	1,27,19,931	
	Other heads	2,20,16,921	1,02,19,632	1,17,97,289	
	TOTAL	64,76,91,372	5,27,12,199	59,49,79,173	
Commercial Services	Railways	15,20,82,829	24,29,82,572	....	9,08,99,743
	Irrigation	5,94,141	14,48,454	...	8,54,313
	Posts and Telegraphs	56,52,778	1,66,00,497	...	1,09,47,719
Debt Services	Interest	1,11,00,700	15,99,70,014	...	14,88,69,314
Civil Administration	Civil Administration	77,29,211	9,40,80,047	...	8,63,50,836
Currency, Mint and Exchange	Currency	4,22,53,002	90,75,012	3,31,77,990	...
	Mint	14,89,091	16,73,299	...	1,84,208
	Exchange	...	...	...	...
Civil Works	Civil Works, etc.	11,33,782	1,54,20,200	...	1,42,86,418
Miscellaneous Civil Services	Famine Relief	...	2,91,738	...	2,91,738
	Superannuation	27,73,883	3,44,13,065	...	3,16,39,182
	Miscellaneous	6,82,05,859	1,02,54,199	5,79,51,660	...
	Other Heads	8,77,133	1,09,32,381	...	1,00,55,248
Lump allowance for further retrenchment in Civil expenditure (including Railways)		...	...	...	...
Military Services	Army (Effective, Non-effective)	7,24,22,501	70,85,71,984	...	63,61,49,483
	Marine	61,25,655	1,71,76,626	...	1,10,50,971
	Military works	21,45,676	5,30,49,730	...	5,09,04,054
Contributions and Assignments to Central Government by Provincial Governments		12,98,72,704	...	12,98,72,704	...
	TOTAL	1,15,21,50,317	1,42,86,52,017	81,59,81,527	1,09,24,83,227
	Surplus			...	
	Deficit			27,65,01,700	

Central Government, in India and in England.

Revised Estimate, 1922-23.		Budget Estimate, 1923-24.	
Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Rs.	Rs.	Rs.	Rs.
41,59,04,000		44,32,22,000	
18,23,43,000		18,40,85,000	
5,57,10,000		10,19,66,000	
2,10,00,000		2,03,81,000	
1,72,93,000		1,79,72,000	
69,22,50,000	...	76,76,26,000	...
...	92,60,000	35,26,000	...
...	1,99,000	...	3,57,000
24,16,000	...	1,46,90,000	...
...	14,13,79,000	...	14,70,61,000
...	9,44,85,000	...	9,84,27,000
2,45,76,000	...	1,69,46,000	...
...	1,94,000	...	13,65,000
...	50,00,000	...	...
...	1,38,76,000	...	1,76,94,000
...	57,000	...	5,000
...	3,43,18,000	...	3,22,40,000
...	42,85,000	...	59,68,000
...	76,10,000	...	90,66,000
...	...	...	—4,00,00,000
...	52,52,68,000	..	48,41,01,000
...	9,02,44,000	...	8,76,66,000
...	95,85,000	...	75,07,000
...	4,77,81,000	...	4,07,26,000
9,17,64,000	...	9,17,74,000	...
81,10,06,000	93,35,41,000	89,45,62,000	89,21,83,000
...		23,79,000	
17,25,35,000		...	

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England—*contd.*

		Accounts, 1921-22.		Revised Estimate, 1922-23.		Budget Estimate, 1923-24.	
		Nt Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Surplus	...	...	...	...	23,79,000	...
	Deficit	...	27,65,61,700	...	17,25,35,000	...	...
Capital Account.	Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue :—						
	Payments for discharge of Debentures	...	7,85,276	...	60,00,000	...	4,51,26,000
	Capital contributed by Railway Companies and Indian States towards construction of State Railways	63,88,170	...	26,78,000	...	4,51,26,000	...
	Construction of Irrigation Works	...	1,18,180	...	2,00,000	...	22,000
	Construction of State Railways	...	22,96,38,935	...	21,36,05,000	...	28,63,95,000
	Capital outlay on Indian Postal and Telegraph Department	...	81,61,617	...	1,10,36,000	...	96,22,000
	Initial expenditure on new Capital at Delhi	...	1,35,27,418	...	1,91,50,000	...	1,97,00,000
Debt, Deposits, Advances and Remittances.	Permanent Debt (net)	42,26,70,109	...	66,45,36,000	...	33,15,56,000	...
	Floating Debt (net)	6,92,60,000	...	...	40,05,00,000	...	5,50,00,000
	Unfunded Debt (net)	4,03,46,893	...	3,14,11,000	...	5,01,85,000	...
	Loans and Advances by Central Government (net)	...	1,47,235	18,99,000	...	6,67,000	...
	Loans between Central and Provincial Governments (net)	...	6,38,28,435	...	11,43,17,000	...	13,46,77,000
	Deposits and Advances. (net)	18,71,20,018	...	17,98,76,000	...	12,31,17,000	...
	Remittances (net)	3,24,36,065	...	...	51,01,000	...	30,15,000
	Secretary of State's Bills drawn	...	...	3,27,00,000	...	...	...
	Secretary of State's Bills paid	...	...	...	2,77,00,000	...	50,00,000
	Balances of Provincial Governments (net)	...	3,53,00,691	1,02,20,000	...	...	1,28,30,000
Cash Balance.	Opening Balance	21,04,55,220	...	34,65,66,987	...	29,37,57,987	...
	Closing Balance	...	34,65,66,987	...	29,37,57,987	...	17,54,00,987
	Total	97,45,76,474	97,45,76,474	1,26,98,95,987	1,26,98,95,987	84,67,87,987	84,67,87,987

M. F. GAUNTLETT, *Auditor General.*

A. C. McWATTERS, *Controller of the Currency.*

E. M. COOK, *Secretary to the Government of India.*

DELHI,
FINANCE DEPARTMENT.
March 1, 1923.

THE INDIAN FINANCE BILL.

INTRODUCED IN THE LEGISLATIVE ASSEMBLY ON THE 1ST MARCH, 1923.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows :— VIII of 1894. VI of 1898.

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1923.

(*2*) It extends to the whole of British India, including the Sonthal Parganas and British Baluchistan.

(*3*) Sections 2, 4 and 6 shall remain in force only up to the 31st day of March, 1924.

Fixation of salt duty.

2. (*1*) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if they imposed such duty at the rate of two rupees and eight annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section. XII of 1882.

(*2*) Section 2 of the Indian Finance Act, 1922, is hereby repealed. XII of 1922.

Amendment of Act VIII of 1894.

3. (*1*) In Schedule II to the Indian Tariff Act, 1894, the amendments specified in the First Schedule to this Act shall be made. VIII of 1894.

(*2*) In Schedule III to the same Act, in item No. 3, for the entry in the fourth column the entry "5 per cent." shall be substituted.

Postal rates.

4. With effect from the first day of April, 1923, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. VI of 1898.

Amendment of Act of 1923.

5. In sub-section (*7*) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1923" the figures "1924" shall be substituted.

Income-tax and super-tax.

6. (*1*) Income-tax for the year beginning on the first day of April, 1923, shall be charged at the rates specified in Part I of the Third Schedule.

(2) The of rates super-tax for the year beginning on the first day of April, 1923, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule.

XI of 1922.

(3) For the purposes of the Third Schedule, " total income " means total income as defined in clause (*15*) of section 2 of the Indian Income-tax Act, 1922.

XI of 1922.

It is hereby declared that it is expedient in the public interest that the provisions of clauses 2 and 3 of this Bill should have temporary effect under the provisions of the Provisional Collection of Taxes Act, 1918.

XVI of 1918.

SCHEDULE I.

Amendments to be made in Schedule II to the Indian Tariff Act, 1894.

[*See section 3 (1).*]

1. In Item No. 4 after the words "all sorts" the words "except ochres and other pigment ores" shall be added.

2. For Item No. 14 the following shall be substituted, namely :—

"CINCHONA BARK and the alkaloids extracted therefrom including QUININE."

3. In Item No. 29 for the words "spirit, which has been rendered effectually and permanently unfit for human consumption" the words "Denatured Spirit" shall be substituted.

4. In Item No. 30 to the entry in the fourth column the words "or 15 per cent. *ad valorem*, whichever is higher" shall be added.

5. In Item No. 31 the following shall be added to each of the entries in the fourth column, namely :—

"or 15 per cent. *ad valorem*, whichever is higher."

6. In Item No. 34 in the second column the words "and saccharine produce of all sorts" shall be omitted.

7. After Item No. 34 the following heading and items shall be inserted, namely :—

	SACCHARINE.		
"34A.	SACCHARINE (except in tablets) .	Pound . .	20 0
"34B.	SACCHARINE TABLETS . .	*Ad valorem* .	25 per cent. or Rs. 20 per pound of saccharine contents, whichever is higher."

8. In item No. 43 for the entry in the fourth column, the following shall be substituted, namely :—"24-0 or 15 per cent. *ad valorem*, whichever is higher."

9. For item No. 51 the following items shall be substituted, namely :—

"51	MACHINERY, namely, such of the following articles as are not specified in any of the following numbers, namely, Nos. 15, 16, 53, 54, 55, 87, 90-A., 96, 103, 111 and 127 :—	
	(1) prime-movers, boilers, locomotive engines and tenders for the same, portable engines (including power-driven road rollers, fire engines and tractors), and other machines in which the prime-mover is not separable from the operative parts ;	
	(2) machines and sets of machines to be worked by electric, steam, water, fire or other power, not being manual or animal labour, or which before being brought into use require to be fixed with reference to other moving parts ;	
	(3) apparatus and appliances, not to be operated by manual or animal labour, which are designed for use in an industrial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose ;	

(4) control gear, self-acting or otherwise, and transmission-gear designed for use with any machinery above specified, including belting of all materials and driving chains but not driving ropes;

(5) bare hard-drawn electrolytic copper wires and cables and other electrical wires and cables, insulated or not; and poles, troughs, conduits and insulators designed as parts of a transmission system, and the fittings thereof.

Note.—The term "industrial system" used in sub-clause (3) means an installation designed to be employed directly in the performance of any process or series of processes necessary for the manufacture, production or extraction of any commodity.

51A | COMPONENT PARTS OF MACHINERY, as defined in No. 51, namely, such parts only as are essential for the working of the machine or apparatus and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose:

Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the machine to which they belong if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable."

10. Item No. 52 and the heading thereto shall be omitted.

11. Item No. 56 shall be omitted.

12. For Item No. 61 the following shall be substituted, namely :—

"61 | IRON OR STEEL, anchors and cables.

" " " beams, joists, pillars, girders and other structural shapes, whether fabricated or not, screw piles, bridge work and other descriptions of iron or steel not ordinarily used for other than building purposes; including ridging, guttering, flashing and continuous roofing; also including expanded metal and other descriptions of iron or steel designed for use in the reinforcing of concrete; but not including builders' hardware, that is to say, grates, stoves, ventilators, door and window fittings and the like; (*See* No. 90.)

" " " bolts and nuts, including hook-bolts and nuts for roofing.

" " " hoops and strips.

" " " nails, rivets and washers, all sorts.

" " " pipes and tubes and fittings therefor, that is to say, bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks and the like.

" " " rails, chairs, sleepers, bearing and fish-plates, spikes (commonly known as dog-spikes), switches and crossings, other than those described in No. 63, also lever-boxes, clips and tie-bars.

" " " sheets and plates, all sorts, whether fabricated or not, including discs and circles.

" " " wire, including fencing-wire, piano-wire and wire-rope, but excluding wire netting (*See* No. 97)."

13. In Item No. 63 the words "engines, tenders" shall be omitted, and for the second proviso, the following proviso shall be substituted, namely :—

"Provided also that nothing shall be deemed to be dutiable hereunder which is dutiable under No. 51 or No. 51A."

14. After Item No. 63 the following item shall be inserted, namely :—

"63A.	COMPONENT PARTS OF RAILWAY MATERIALS, as defined in No. 63, namely, such parts only as are essential for the working of railways and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose :	
	Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the railway material to which they belong, if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable."	

15. To Item No. 64 the following proviso shall be added namely :—

	"Provided that articles of machinery as defined in No. 51 or No. 51A shall, when separately imported, not be deemed to be included hereunder."	

16. For Item No. 87 and the heading thereto the following shall be substituted, namely :—

CONVEYANCES.

"87	CONVEYANCES, including tramcars, motor-omnibuses, motor-lorries, motor-vans, passenger lifts, carriages, carts, jinrikshas, bath-chairs, perambulators, trucks, wheel barrows, bicycles, tricycles and all other sorts of conveyances not otherwise specified, and component parts and accessories thereof, except such parts and accessories of the motor vehicles above-mentioned as are also adapted for use as parts or accessories of motor cars, motor cycles or motor scooters (*See* No. 127)."	

17. After Item No. 90 the following item shall be inserted, namely:—

"90A	ELECTRICAL CONTROL GEAR AND TRANSMISSION GEAR, namely, switches, fuses and current-breaking devices of all sorts and descriptions, designed for use in circuits of less than ten *amperes* and at a pressure not exceeding 250 volts, and regulators for use with motors designed to consume less than 187 watts; bare or insulated copper wires and cables, any one core of which has a sectional area of less than one-eightieth part of a square inch, and wires and cables of other metals of not more than equivalent conductivity; and line insulators, including also cleats, connectors, leading-in tubes and the like, of types and sizes such as are ordinarily used in connection with the transmission of power for other than industrial purposes, and the fittings thereof."	

18. To Item No. 96 the following shall be added, namely :—

	"and any machines (except such as are designed to be used exclusively in industrial processes) which require for their operation less than one quarter of one brake-horse-power."	

19. In Item No. 103 after the word "tiles" the words "firebricks not being component parts of any article included in No. 51 or No. 63" shall be inserted, and after the word "specified" the words "including bitumen and other insulating material" shall be added.

20. In Item No. 127 the words "bicycles and tricycles" and the words "or of bicycles or tricycles" shall be omitted.

21. To Item No. 130 the words "and parts thereof" shall be added.

22. In Item No. 139 the word "and" shall be inserted after the word "cycles" and the words "bicycles and tricycles" shall be omitted.

SCHEDULE II.

Schedule to be inserted in the Indian Post Office Act, 1898.

(See section 4.)

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

(See section 7.)

Letters.

For a weight not exceeding two and a half tolas	One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas.	One anna.

Postcards.

Single	Half an anna.
Reply	One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof	Half an anna.

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas.	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas."

SCHEDULE III.

(See section 6.)

PART I.

Rates of Income-tax.

	Rate.
A. In the case of every individual, every unregistered firm and every undivided Hindu family—	
(1) When the total income is less than Rs. 2,000	*Nil.*
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.	Five pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	Six pies in the rupee.

	Rate.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 20,000.	Nine pies in the rupee.
(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	One anna in the rupee.
(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and three pies in the rupee.
(7) When the total income is Rs. 40,000 or upwards . . .	One anna and six pies in the rupee.
B. In the case of every company, and every registered firm, whatever its total income.	One anna and six pies in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over fifty thousand rupees of total income :—

	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first twenty-five thousand rupees of the excess.	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess.	One anna in the rupee.
(*b*) in the case of every individual and every unregistered firm, for every rupee of the first fifty thousand rupees of such excess	One anna in the rupee.
(*c*) in the case of every individual, every unregistered firm and every Hindu undivided family—	
(*i*) for every rupee of the second fifty thousand rupees of such excess	One and a half annas in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess	Two annas in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess	Two and a half annas in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess	Three annas in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess	Three and a half annas in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess	Four annas in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess	Four and a half annas in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess	Five annas in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess	Five and a half annas in the rupee.
(*x*) for every rupee of the remainder of the excess . .	Six annas in the rupee.

STATEMENT OF OBJECTS AND REASONS.

1. The object of this Bill is to provide the additional revenue referred to in my speech introducing the Budget for 1923-24 and to continue certain provisions of the Indian Finance Act, 1922 (XII of 1922) which would otherwise cease to have effect from the 1st April 1923.

2. Clause 2 of the Bill provides for the raising of the salt duty from Rs. 1-4 to Rs. 2-8 per maund.

3. Opportunity has been taken to make certain minor amendments in the Tariff Schedule necessitated by administrative reasons. These are embodied in Clause 3 (*1*). The substantive changes made are :—

(1) The adoption of a new definition of "Machinery and its component parts" and consequential changes in the entries relating to railway and building materials, ships, etc.

(2) The raising of the duty on saccharine.

(3) The withdrawal of the concessional rate in respect of tea chests and of lead therefor.

Clause 3 (*2*) reduces the export duty on raw hides and skins from 15 to 5 per cent *ad valorem* and dispenses with the system of rebates.

4. Clauses 4 and 6 provide for the continuance of the rates of postage, income-tax and super-tax prescribed by the Indian Finance Act (XII of 1922), while clause 5 provides for the credit to revenue, for a further period of one year, *i.e.*, till the 31st March 1924, of interest on securities forming part of the Paper Currency Reserve.

5. The changes mentioned in paragraphs 2 and 3 are intended to come into effect from the 1st March 1923; the rest from April 1st. The Bill provides that the provisions other than those relating to the tariff shall remain in force till the 31st March 1924.

BASIL P. BLACKETT.

The 28th February 1923.

Speech of the Finance Secretary in the Council of State on the 1st March 1923.

The HONOURABLE MR. E. M. COOK (Finance Secretary): Sir, I rise to present a Statement of the estimated annual expenditure and revenue of the Governor General in Council for 1923-24. I have been charged by the Honourable the Finance Member to express his regret that, owing to the rules of the Legislature, he is unable to be here to present this Budget personally. He is however looking forward to facing the music in this Chamber at about 11 o'clock on Wednesday next. At the conclusion of my remarks this morning, there will be distributed to Honourable Members, together with a number of other papers relating to the Budget, a copy of the speech which the Finance Member is now, I have reason to hope, making in another place. Honourable Members will find that that speech contains, besides the usual account of the financial results of the current year and an estimate of the expenditure and revenue for next year, an appreciation by the Finance Member of the general financial position of India as it appears to him—a new-comer indeed to this country, but one, if I may say so, whose reputation as a financier has preceded him. I do not propose therefore to duplicate in my remarks this morning what Sir Basil Blackett has said, or rather is saying or will be saying, in the speech which will be in Honourable Members' hands shortly. I will confine myself, as I did a year ago, to giving the Council a brief summary of the more important facts regarding the current year. I will then proceed to announce our estimates of revenue and expenditure for next year, explaining at the same time what action we propose to take as a result of the inquiries of the Indian Retrenchment Committee. And finally I will indicate how far, after taking such credit as we can for the Inchcape Committee's recommendations, it will be possible to balance the revenue and expenditure of the Central Government.

Now, as regards the current year, it will be within the recollection of Honourable Members that the Budget for 1922-23, as it emerged from the Legislature, left us with a deficit of 9 crores 16 lakhs. Honourable Members will also recollect that Sir Malcolm Hailey warned the Legislature that the provision entered in the Budget for expenditure in Waziristan should be regarded as only tentative and he hinted that possibly the provision of 2 crores 13 lakhs on that account would prove insufficient. Well, Sir, in view of the reply which I gave in the September Session to a question which was asked me, I think by my Honourable friend Mr. Sethna, regarding the progress of revenue and expenditure this year so far as they could then be foreseen, the Council, I think, will not be surprised to hear that the estimated deficit of 9 crores 16 lakhs is going to be exceeded. As now revised, the estimates point to a deficit of about 17½ crores, that is a net worseness of 8⅓ crores. There will probably be a saving of 4 crores 14 lakhs in expenditure but revenue will be some 12 crores 48 lakhs less than the estimate.

When we framed our revenue estimates this time last year, we did not count on any hope of a marked or sudden revival in trade, although we certainly expected some improvement on the general trade conditions of the preceding year. On the whole, Sir, our anticipation has been justified. There was considerable stagnation during the earlier part of this summer but now I think, except perhaps in the cotton mill industry in Bombay, the

general feeling in the business community is at present one of mild optimism. Considering the impoverishment of most of our former customers our exports have undoubtedly shown a very promising recovery. I will give the figures. So far as merchandise alone is concerned the balance of trade in favour of India during the first 10 months of this financial year has been 62 crores, which contrasts with an adverse balance of 29½ crores in the corresponding 10 months of the preceding year. As against this there has been a substantial net import of bullion, but after including the bullion figures there still remains a net balance of 20 crores in favour of India instead of an adverse balance of 33 crores in the first ten months of last year.

I will now make a few remarks about the figures under the more important heads. Under customs we budgeted for a total net revenue of 45½ crores, of which 9 crores was expected to accrue from the enhancement of duties imposed last March. We now expect a customs revenue which will be some 3 crores short of the figure which we budgeted for. Honourable Members know, I think, that the dominant factor in our customs revenue for the last year or two has been the import of sugar. In the previous year we got 6½ crores from sugar, although the duty was only 15 per cent.; in the current year on the increased duty of 25 per cent. we hoped that we might realise about 6¼ crores. Actually we now expect that the revenue from sugar will be less by a crore and a half than the budget figure. The excise duty on cotton manufactures will also bring us in substantially less than we expected, and we shall probably be about 60 lakhs down under that head. As regards the other tariff heads, it is probable that there will be some deficiency in the revenue from liquors, matches, machinery, and cutlery, but any losses under those heads should be counter-balanced by increased revenue from the import duties on cotton piece goods, which are likely to give us nearly a crore more than our estimated revenue of 560 lakhs, and iron, steel and other metals, while the new excise duty on kerosene is likely to bring us in 89 lakhs as against 40 lakhs budgeted for. As regards the so-called " luxury " articles, which are assessed to duty at 30 per cent. the Council may be interested to know that, in spite of a very substantial fall in prices, we expect to get 273 lakhs as against 284 lakhs budgeted for; that has been due to the fact that the import of most of these articles has increased. Up to the present nearly twice as many motor cars have been imported as in the corresponding period of the previous years. On the whole, therefore, I think, Sir, that our estimates from customs, all things considered and having regard to the great difficulties of estimating the yield from increased taxes have not turned out so badly. But it is as regards Railways that the returns have been most disappointing. The increase in passenger fares was expected to add some 6 crores to the receipts. The traffic, however, both passenger and goods, especially goods has fallen off, and as against the estimated gross traffic receipts of 99¼ crores, we do not expect to get more than 92 crores. What small improvement there has been over the receipts of the previous year has been due to the increased passenger fares. On the other hand, we expect a saving of over 2 crores on programme revenue expenditure, but an excess of about a crore in ordinary working expenses, so that, altogether, our net railway revenue is likely to be down by 5¾ crores; and I am sorry to say that, after taking into account interest charges, the final result for the general taxpayer will be that there will again be no profit from railways but a loss of about a crore. As regards Posts and Telegraphs revenue, the effect of the new postal rates during the first few months of the year was to reduce

correspondence. But since then there have been distinct signs of recovery, and it is clear that the public are now gradually getting used to the higher postal charges. For the present, however, I think we must anticipate a decrease of 106 lakhs in our anticipated receipts. There is a small saving in working expenses, and after debiting interest, the Department will probably prove to be running at a small profit of about 24 lakhs. As regards our income-tax collection, the Council will remember that we expected to make large collections of arrears, but after the beginning of the year it became evident, not only that the allowance that we should have to make for bad debts would be large, but also that our revenue was going to be seriously affected by the heavy refunds which have had to be made, chiefly in Calcutta, as a result of the adjustment system in force under the former Act. Fortunately, this complication will, under the new Act, not disturb our estimates again. I understand that in Calcutta in many cases Companies have actually received a cheque from Government instead of paying any tax at all; and the net receipts in Bengal are not expected to be more than 3¼ crores. In other provinces the collections have been good, especially in Bombay, though I am afraid that the lower profits which the cotton mills are now making are going to affect our revenue from that city next year. Altogether we anticipate under Income-Tax a total deterioration of 3½ crores. As regards other heads, I think I need only say that we expect to get 89 lakhs more from Opium than we anticipated and probably a slight improvement of Rs. 7 lakhs or so under Salt.

As regards our expenditure, the only important variation that I need mention in our civil expenditure is the fact that there has been a substantial saving of about 186 lakhs in the budget provision for interest on debt. That is mainly due to the fact that a full half year's interest in respect of the greater part of our rupee and sterling borrowings this year will not fall due till after the end of the financial year.

I now come to the military expenditure. But before I give the figures, I must explain to the House a change of some importance that has been made in the method of exhibiting them. I do not think I need explain it at any great length, because the matter has already been discussed in this House a year ago, both in the general discussion on the Budget and also on a Resolution moved by my Honourable friend Mr. Kale. This change affects all the non-commercial heads, but it is specially marked in the case of military expenditure. I think most Honourable Members know that our practice in the last 2 years, in distributing the exchange adjustments, has been to show them against the individual heads of account in the case of commercial services, and that as regards other heads, we used to lump them together under the one head " Exchange ". Now, of course, that method would answer well enough if the difference between the statutory rate of 2 shillings and the actual rate had been less; it gives the figures a very misleading appearance when the difference between the two rates has been as large as it has been for the past two years or so. We have now decided to distribute the exchange adjustments between the individual heads in all future accounts and estimates; and the figures of military expenditure that I shall give this morning have accordingly been arrived at after converting sterling expenditure into rupees at the rate of 1*s.* 4*d.* Instead, therefore, of speaking of the military budget for the current year as being 62 crores 18 lakhs, as we spoke of it this time last year, I shall speak of it as being 67¾ crores, which is the correct figure if you take the sterling expenditure at 1*s.* 4*d.*

Now, the military budget provided 65 crores and 10 lakhs for the established charges of the Army, 213 lakhs for Waziristan expenditure and 52 lakhs for demobilization charges, making, as I have said, a total of 67¾ crores. Waziristan expenditure in the current year is now estimated at 385 lakhs. The demobilization charges will probably amount to 208 lakhs owing to unexpected progress that has been made with the discharge of surplus officers. On the other hand, the established charges will now amount to only 60½ crores owing to a continued shortage of British troops, the fall in prices and various other causes. A very careful control has been maintained over these charges, and savings in budget grants have not been allowed to be re-appropriated for new measures involving a permanent liability of any magnitude. By those means, in spite of the excess expenditure of 172 lakhs in Waziristan and of the increased demobilization charges, we have been able to effect a saving of 46 lakhs in the total budget grant for military expenditure.

I now come to the Budget for next year. The question, of course, that must be uppermost in the minds of all Honourable Members is, what we are going to do about retrenchment. Here, Sir, we come at once up against a matter that has made the preparation of this Budget so exceedingly difficult. Since they assembled in November last, Lord Inchcape and his colleagues on the Retrenchment Committee, and their Secretary, a distinguished predecessor of mine, have worked at their task with a devotion to the public interests which it would be impertinent for me to dwell on. I only invite the attention of the Council to the fact that each of these six gentlemen has attained a position of considerable eminence in the business world, and that the sacrifices which they have made in leaving their large and varied commercial interests in order to undertake a task of this magnitude must have been very considerable. I think, Sir, that we in this Council can well feel proud that two Members of the Committee are our colleagues here. When the Committee's report is published, the public will understand what an exacting task theirs must have been. Government feel confident that they will have the Legislature and the country behind them in seeing to it that the labours of the Committee shall not have been in vain, and that every effort is made to go to the utmost length in carrying the Committee's recommendations into practical effect, at as early a date as possible, and to the maximum extent practicable.

But, Sir, the more immediate problem is the extent to which we can translate the Committee's recommendations into the budget for 1923-24. Lord Inchcape's Committee, recognizing the difficulties in which we have been placed owing to the necessity for presenting the budget on March 1st, have very kindly provided us with a number of instalments of their report. We received the first portion a little more than a fortnight ago, the second portion last Saturday night and the third portion yesterday. These three parts cover the greater portion and all the more important heads of our expenditure. We understand that the last portion will be received during the course of the next day or so, and we hope then to publish the report as a whole, in complete form, as soon as the necessary number of copies can be printed. I think Honourable Members will now understand what I meant when I spoke about our difficulties in framing the budget. To present a budget with no Inchcape in it at all would be unthinkable—it would be like trying to play Hamlet without the Prince. On the other hand, when we attempt to calculate, at such very short notice and without there having been time to make any careful or detailed examination of the report, the extent to which we can take credit in this present

budget for the Committee's proposed savings, once we attempt to calculate that, Sir, we are at once met by certain very grave practical difficulties. In the first place, even if we blindly accepted the Committee's recommendations lock, stock and barrel, it is obvious to the Council that some time must elapse, and in certain cases indeed a considerable time, before the full effect of the retrenchments can be reached. Indeed, when one comes to read this report it is clear that the amount of what I may call the 'lag' must be considerable. A second and very important fact, which I would ask Honourable Members to bear in mind when they come to read the report in a few days time, is that the Committee were throughout working on the budget estimates for 1922-23. Now, Sir, the budget estimates for next year, which necessarily had to be prepared without any specific reference to the Inchcape Committee's recommendations, already show a substantial reduction as compared with the budget for the current year. This is due to various causes; one of them is the general atmosphere of economy which, I am glad to say, now prevails; another cause is the fact that a good many of the savings are automatic, due to the fall in prices and so forth. Now, when one makes an allowance for these two important considerations, namely, the lag and the fact that the reductions proposed by the Committee are reductions on the 1922-23 scale of expenditure, then the extent to which credit can be taken in the budget for the Committee's recommendations, even supposing it were possible, which obviously it is not, for Government to accept the whole of the recommendations without any examination, becomes very much smaller than might at first sight appear.

I had to clear the ground in this way in order to enable the Council to follow me when I now inform it of Government's exact intentions. There is, however, just one more word of explanation I must give. I said that our budget estimates for next year as originally framed were prepared without specific reference to the Committee's recommendations. There are two exceptions to that; one is the military budget, which I will refer to later, and the second is the post and telegraph budget, in respect of which we had had some earlier information and therefore we were able to take into account some, though not all, of the Committee's proposed reductions.

I now come to the actual budget estimates. I will first take the civil expenditure. I have already indicated, Sir, that Government are not yet in a position to announce definitely which of the particular recommendations of the Committee will be adopted: nor has it been possible for us to frame an accurate forecast of the allowance which is to be made for what I have called the lag. Nevertheless the Government of India are of opinion that the situation is one which necessitates their taking some budgeting risks, and they have decided therefore to take the responsibility of saying that in the civil estimates they believe that a reduction of four crores can be effected during the 12 months commencing April 1st next, over and above the reduction for which credit has already been taken in the post and telegraph estimates, either in the ways proposed by the Committee or by some modification of them. Now, in the civil portion of our budget, excluding interest, the Committee have recommended reductions which, although we have still a few pages of their report to receive, we expect will amount to about eight and a half crores. The total civil expenditure in the 1922-23 budget is 103 crores and 9 lakhs. Now, the corresponding figure in the budget estimates for next year, as originally prepared last month, is 101 crores and 3 lakhs, that is, 2 crores and 6-

lakhs less. The House will see therefore that our cut of 4 crores, together with this amount of 2 crores and 6 lakhs, makes a total of 6 crores and 6 lakhs; that is to say, out of a total reduction of 8½ crores proposed by the Inchcape Committee we propose in this budget to make allowance, on account of the lag or on account of any retrenchments which may be found impossible, for less than 2 crores. I think, Sir, that this allowance, or this margin as I may call it, is, having regard to all the circumstances which I have mentioned, a small one. The Government of India will leave no stone unturned to make actual reductions which will effect the further saving of 4 crores which I have mentioned in civil expenditure. But I must not conceal from the Council that it will tax all Government's ingenuity to give full effect to this 4 crores reduction within the year 1923-24.

As regards military expenditure risks of the same kind, and also of other kinds, are being taken. In spite of the fact that it will be necessary to provide 169 lakhs for expenditure in Waziristan next year, the Government of India are budgeting for a military expenditure which will be 5¾ crores less than the current scale. That is to say, they will be budgeting for 62 crores as against a current military expenditure of 67¾ crores. I am not in a position to-day to give precise details of the particular retrenchments in military expenditure which the Government hope to effect. I may say, however, that in the forefront of those reductions, and forming the pivot on which the other reductions depend, is a substantial reduction in the strength of British and also of Indian troops. These reductions are being discussed between the Government of India and His Majesty's Government. The exact form which they should take is necessarily a matter of some intricacy and complication, for it is obviously desirable to impair as little as possible the essential structure and organisation of the Army and so to retain, after the reductions have been made, the maximum degree of efficiency possible. The decision, as the House will understand, is also a very responsible one, and, the difficulties being what they are, there simply has not been time to arrive at a final decision. In any case, the full financial effect of these reductions, and of certain other proposals in regard to the military expenditure, could not for practical reasons be expected in the coming year. But if those reductions and others which have been agreed upon could have been fully and effectively in operation from the 1st of April next, then the net military expenditure for 1923-24 would be 57¾ crores, that is a reduction of 10 crores on the current scale of expenditure.

As regards our expenditure estimates as a whole, I do not think I need take the Council in detail through the various heads. I think it is enough for me to say that, as compared with the budget estimate of expenditure for 1922-23 of Rs. 215 crores and 27 lakhs, inclusive of the working expenses of commercial departments, our total expenditure for 1923-24, taking the sterling expenditure at 1*s.* 4*d.*, is estimated to be 204 crores and 37 lakhs, that is, a reduction of 11 crores in spite of an increase of 1¾ crores on interest charges.

Similarly, as regards our estimates of revenue. I do not propose to trouble the House with many details. I will only say generally that we have assumed that trade conditions will continue very much as they are at present; we have not counted on any early boom or any sudden revival in trade. The utmost we have done is to allow for a small growth in revenue, such as may normally be expected from year to year. Under the various heads of our customs revenue, we have either repeated the figure which we anticipate for the current year, or we have provided for a

small increase where an expansion seems probable. Altogether we are assuming a net customs revenue of roughly 45 crores, or 2¾ crores more than in the current year. This estimate, I ought to mention, provides for a reduction to 5 per cent. all round, with no rebate, of the export duty on hides and skins. That reduction has been necessitated by the state of trade. In respect of income-tax we are not allowing for any increase over the current year's revenue of 19 crores. We shall not have the same heavy refunds to make, but, on the other hand, we expect that there will be a fall in revenue in Bombay. The Railway budget as originally framed, provided for a small profit of 35 lakhs. We are assuming, however, that as a result of the Retrenchment Committee's recommendations for a reduction in working expenses, there will be a profit of 3 crores. Similarly, in Posts and Telegraphs we hope by retrenching working expenses to realise a profit of 147 lakhs. The net result, after taking credits for retrenchment, military and civil, is that we are budgeting for an expenditure of 204 crores and 37 lakhs, against an expected revenue, on the basis of existing taxation, of 198 crores and 52 lakhs, leaving a deficit of 5 crores and 85 lakhs.

5 crores and 85 lakhs. What are we to do about that deficit? Are we going to leave it uncovered? I will answer that question in a moment. But meanwhile there is one thing we can do, which although it is not very much more than a change in book-keeping methods, nevertheless does relieve the revenue account. The Gold Standard Reserve consists approximately of £40 millions and is invested in British treasury bills and other short term securities. Government propose to utilise the interest on these securities by crediting it to revenue instead of adding it to the Reserve itself, and this will relieve the revenue account to the extent of 1.59 lakhs. The Council, I think, will remember that last year the Legislature agreed to this being done in the case of the interest on the securities in the Paper Currency Reserve, and we feel that to a very large extent these two measures are analogous.

There will thus remain a deficit of 4¼ crores, and what are we to do about that? Some Honourable Members, who may fully share our anxiety to balance our budget, may suggest that we may safely leave that uncovered, in view of the fact that as time goes on the Inchcape Committee's recommendations will be brought more and more into effect and that, with the disappearance of the " lag ", the budget will in a year or two be bound to balance itself. Sir, the Government feel that, however attractive such a course may appear to some, it would, to say the least, be a dangerous one. When one examines the Retrenchment Committee's proposals, it will be seen that, taking the military budget alone, over 2 crores of the reductions represent merely a reduction in stocks; in other words, that particular saving is non-recurring, for as soon as the stocks are worked down to the new minimum, the normal annual purchases will have to be resumed. The same thing is true of the Railway budget and the Posts and Telegraphs budget, and also of the budgets of one or two other Departments. Further, Government realise, and this I suggest is a consideration of the utmost importance, that this budget provides, to their great regret, for no reduction in the provincial contributions. Government are very much impressed by the undesirability of any further indefinite continuance of the present very unsatisfactory position as regards these provincial contributions. They have stated more than once that, as soon as they are in a position to do so they intend gradually to reduce and finally extinguish the provincial contributions, the aggregate amount of which is about 9¼ crores.

Now, the essential preliminary to any such reduction must be the balancing of our own budget. If this present deficit of 4¼ crores is to remain uncovered, then I must warn the Council that any substantial relief to the provinces will almost certainly have to be deferred for some years, if not postponed indefinitely. On the other hand, if we can cover the deficit this year, then any improvement in our financial position, due to the ringing into full effect in subsequent years of the retrenchments proposed, or to any possible future improvement in our revenues, can and will be devoted to giving to the provinces that relief of which most of them are so greatly in need.

There is only one way in which we can bring that relief, if not actually within sight, at any rate within the range of practical politics, and that is by additional taxation. The Government of India dislike proposing additional taxation just as much as the Legislature will the voting of it. They feel, however, that the situation calls for it, not only because India's credit is very vitally involved, after the 100 crores of deficits that we have had in the last five years, in making a final and successful effort to balance our Budget, but also because without it the relief which the Provincial Governments and Legislatures have been anxiously awaiting must again fade into the indefinite future. The Government have carefully reviewed the whole sphere of taxation and have been obliged to reject all possible measures except one, and that is the increase of the salt duty to Rs. 2-8-0 a maund. In a full year this increase will probably give us 6 crores of rupees, although in the first year of its imposition it is not likely to bring in more than 4½ crores. If we can get this additional revenue, the deficit will be covered and we shall have a balanced budget, with a small surplus of about a quarter of a crore.

I have so far said nothing about ways and means estimates. During the last year or two public attention has naturally been concentrated mainly upon the ordinary revenue and expenditure, owing to the very large deficits that have occurred. But my Honourable and revered friend Sir Dinshaw Wacha has, I believe, on more than one occasion pointed out here the great importance of the ways and means figures, for it is in their ways and means operations that the actual financial policy of Government is manifested. At the same time, it is very difficult to budget for ways and means in the same way we budget for our ordinary revenue and expenditure, and it is never possible to adhere to any strict programme in regard to operations which consist in financing the country's various liabilities and in finding cash for our own and the provinces' day to day disbursements. Of course we may say beforehand that we hope to do so and so, but it is never possible to forecast with any accuracy the changing conditions of the money markets, both here and in London. I am not therefore going to trouble the House with many details about ways and means. Honourable Members will find, however, in the Finance Member's speech a summary of our ways and means operations during the current year and a forecast of our liabilities and assets next year. The only thing I wish to say about the current year is to draw attention to the fact that, owing to our large rupee and unprecedentedly large sterling borrowings, we have been able to make a substantial reduction in our floating debt. We have reduced the Treasury Bills held by the public by 32½ crores and we have cancelled Treasury Bills held in the Currency Reserve to the extent of 8¼ crores. We cannot hope to make such large reductions in the ensuing year, but it is Government's intention to do all they can to pursue the policy of funding the floating debt by converting it into securities of longer term.

These large sterling borrowings of ours in the current year have also facilitated the provision of funds in London to meet our sterling obligations. As the House knows, we took advantage of the strengthening of exchange which occurred at the New Year to remit funds to England by the sale of Council Bills. We did this somewhat in advance of the Secretary of State's actual requirements but at a time when we knew that it would be convenient to the market, and when we knew also that we could hope to get our money home at fairly favourable rates.

As regards next year, we are providing the usual 30 crores for railway capital expenditure *plus* the large lapse which has occurred in this year's grant, making a total of 38½ crores. We shall unfortunately have to allow certain Provincial Governments large overdrafts to meet their revenue deficits, and we also are making loans to several of them for capital expenditure, particularly a large amount to the Bombay Government for expenditure on their development scheme. Altogether, as the estimates stand at present, we expect to have to meet liabilities of about 67 crores, and we are assuming, of course purely for budget purposes, that we shall be able to secure a rupee loan of 25 crores and to make sterling borrowings of £15 millions. With these resources, added to certain other assets which are mentioned in the Finance Member's speech, we hope to meet the liabilities I have mentioned and in addition to effect a further reduction of 5 or 6 crores in our floating debt. On the estimates as they stand at present it will be necessary to remit the sum of about £27 millions sterling to London during the course of the next year. That can be done in two ways. Firstly, we can purchase exchange, one method of which is by selling Council Bills in London, and secondly, we can draw on the Paper Currency Reserve or the Gold Standard Reserve in London, against a corresponding ear-marking out here; but it is obviously impossible for Government to commit themselves in advance as to the extent to which they will combine these two methods, it must depend on the actual money and exchange conditions of the moment.

That completes my summary of the Budget and I have only to thank the Council very cordially for the great patience with which they have listened to what I fear has been a rather bald recital of dry facts and figures.

Revised Schedule of demands for grants for expenditure of the Central Government for the year 1923-24 submitted for the vote of the Legislative Assembly.

Number of demand.	Service, Administration or Area to which demand relates.	Amount as in original schedule of demands.	Reduction now proposed.	Reduced amount submitted for the vote of the Assembly.
		R	R	R
	A.—Expenditure from Revenue.			
1	Customs	66,86,000	69,000	66,17,000
2	Taxes on Income	58,93,000	...	58,93,000
3	Salt	1,14,68,000	84,000	1,13,84,000
4	Opium	1,87,53,000	1,00,000	1,86,53,000
5	Excise	1,000	...	1,000
6	Stamps	2,52,000	2,51,000	1,000
7	Forests	9,83,000	55,000	9,28,000
8	Railways (inclusive of Working Expenses and payment of Surplus Profits to Railway Companies).	67,47,79,000	3,00,00,000	64,47,79,000
9	Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works.	13,12,000	15,000	12,97,000
10	Indian Postal and Telegraph Department (including Working Expenses).	8,10,98,000	3,00,000	8,07,98,000
11	Indo-European Telegraph Department (including Working Expenses).	27,31,000	5,07,000	22,24,000
12	Interest on Debt and Sinking Funds	22,000	...	22,000
13	Interest on Miscellaneous Obligations	3,20,93,000	...	3,20,93,000
14	General Administration	81,58,000	7,58,000	74,00,000
15	Audit	69,72,000	...	69,72,000
16	Jails and Convict Settlements	2,000	...	2,000
17	Police	22,000	...	22,000
18	Ports and Pilotage	11,08,000	...	11,08,000
19	Survey of India	26,47,000	6,50,000	19,97,000
20	Meteorology	5,84,000	22,000	5,62,000
21	Geological Survey	1,72,000	...	1,72,000
22	Botanical Survey	18,35,000	53,000	17,82,000
23	Zoological Survey	1,30,000	20,000	1,10,000
24	Archæology	15,45,000	3,00,000	12,45,000
25	Mines	1,06,000	...	1,06,000
26	Other Scientific Departments	5,70,000	1,00,000	4,70,000
27	Education	2,80,000	31,000	2,49,000
28	Medical Services	8,06,000	76,000	7,30,000
29	Public Health	8,62,000	5,05,000	3,57,000
30	Agriculture	7,05,000	44,000	6,61,000
31	Civil Veterinary Services	6,46,000	35,000	6,11,000
32	Industries	44,000	...	44,000
33	Aviation	29,000	10,000	19,000
34	Commercial Intelligence	2,63,000	50,000	2,13,000
35	Census	39,000	13,000	26,000
36A.	Emigration—Internal	56,000	...	56,000
36B.	,, External	44,000	...	44,000
37	Joint-Stock Companies	1,33,000	...	1,33,000
38	Miscellaneous Departments	20,27,000	1,90,000	18,37,000
	Carried over	86,58,56,000	3,42,38,000	83,16,18,000

Revised Schedule of demands for grants for expenditure of the Central Government for the year 1923-24 submitted for the vote of the Legislative Assembly—*contd.*

Number of demand.	Service, Administration or Area to which demand relates.	Amount as in original schedule of demands.	Reduction now proposed.	Reduced amount submitted for the vote of the Assembly.
		R	R	R
	Brought forward	86,58,56,000	3,42,38,000	83,16,18,000
	A.—Expenditure from Revenue—*contd.*			
39	Currency	49,68,000	...	49,68,000
40	Mint	16,33,000	34,000	15,99,000
41	Civil Works (under the control of the Public Works Department)	1,27,07,000	10,70,000	1,16,37,000
42	Superannuation Allowances and Pensions	39,44,000	1,00,000	38,44,000
43	Stationery and Printing	70,49,000	12,57,000	57,92,000
44	Miscellaneous	21,43,000	20,000	21,23,000
45	Adjustments with Provincial Governments	3,62,000	...	3,62,000
46	Refunds	7,17,000	...	7,17,000
47	North-West Frontier	1,05,40,000	3,40,000	1,02,00,000
48	Baluchistan	27,54,000	71,000	26,83,000
49	Delhi	30,58,000	2,25,000	28,33,000
50	Coorg	13,89,000	62,000	13,27,000
51	Ajmer and Merwara	15,17,000	50,000	14,67,000
52	Andamans and Nicobar Islands	41,59,000	...	41,59,000
53	Rajputana	4,73,000	34,000	4,39,000
54	Central India	6,59,000	27,000	6,32,000
55	Hyderabad	1,86,000	9,000	1,77,000
56	Expenditure in England—Secretary of State for India	15,82,000	1,00,000	14,82,000
57	Expenditure in England—High Commissioner for India	82,46,000	4,58,000	77,88,000
Non-voted	Ecclesiastical, Political, etc.	...	...	...
		93,39,42,000	3,80,95,000	89,58,47,000
	Lump allowance for further retrenchment in Civil expenditure (including Railways)	—4,00,00,000	—4,00,00,000	...
	TOTAL	89,39,42,000	—19,05,000	89,58,47,000
	B.—Expenditure charged to Capital.			
58	Railways	38,61,93,000	...	38,61,93,000
59	Irrigation	22,000	...	22,000
60	Telegraphs	96,22,000	1,92,000	94,30,000
61	New Capital at Delhi	1,93,24,000	...	1,93,24,000
	TOTAL	41,51,61,000	1,92,000	41,49,69,000
	C.—Disbursements of Loans and Advances.			
62	Interest-free advances	9,13,69,000	...	9,13,69,000
63	Loans and advances bearing interest	14,48,68,000	...	14,48,68,000
	TOTAL	23,62,37,000	...	23,62,37,000
	GRAND TOTAL	1,54,53,40,000	(a)—17,13,000	1,54,70,53,000

(a) The reductions shown in this schedule relate to voted expenditure. In addition, a reduction of R26,32,000 has been made in non-voted expenditure.

Statement comparing the Budget Estimates of Civil Expenditure for 1923-24 as now revised with the Budget for 1922-23 and the reductions recommended therein by the Retrenchment Committee.

[In thousands of Rupees.]

Heads of Expenditure.	Budget, 1922-23, as shown on pages 292-293 of the Retrenchment Committee's Report.	Reduction recommended by the Retrenchment Committee.	Budget, 1923-24, as in estimates presented on 1st March.	Further reduction on distribution of lump deduction.	Budget, 1923-24, as revised (Column 4—Column 5.)	Reduction made in revised budget for 1923-24 on budget for 1922-23. (column 2—column 6) exclusive of interest and sinking fund charges.
1	2	3	4	5	6	7
Customs	72,74	47	77,19	69	76,50	—3,76
Taxes on Income	47,01	...	63,79	...	63,79	—16,78
Salt	1,73,65	19,15	1,55,34	84	1,54,50	19,15
Opium	1,86,53	20,00	1,89,31	1,00	1,88,31	—1,78
Land Revenue	15,64	3,97	11,93	27	11,66	3,98
Excise	2,84	13	2,74	3	2,71	13
Stamps—						
Non-Judicial	22,73	22,00	3,10	5,87	—2,77	25,50
Judicial						
Forest	52,45	6,90	47,06	96	46,10	6,35
Registration	48	4	42	...	42	6
Total	5,74,07	72,66	5,50,88	9,66	5,41,22	32,85
Railways—						
Working expenses	67,99,00	4,59,00	66,51,50	3,00,00	63,51,50	4,47,50
Surplus profits paid to companies	60,00	...	98,77	...	98,77	—38,77
Subsidised companies	19,83	...	25,90	...	25,90	—6,07
Miscellaneous Railway Expenditure	29,77	...	12,50	...	12,50	17,27
	69,08,60	4,59,00	67,88,67	3,00,00	64,88,67	4,19,93
Interest on Debt	16,77,95	...	18,77,90	...	18,77,90	
Interest on Capital contributed by companies	3,36,10	...	3,22,30	...	3,22,30	
Annuities in Purchase of Railways	5,03,63	...	5,03,62	...	5,03,62	
Sinking Funds	45,81	...	49,10	...	49,10	
Total	94,72,09	4,59,00	95,41,59	3,00,00	92,41,59	
Irrigation—						
Working Expenses, Other Revenue Expenditure and Construction of Irrigation, etc., Works financed from ordinary Revenues	14,55	2,18	14,66	20	14,46	9
Interest on Debt	9,51	...	10,88	...	10,88	
Total	24,06	2,18	25,54	20	25,34	
Carried over	1,00,70,22	5,33,84	1,01,18,01	3,09,86	98,08,15	4,52,87

Statement comparing the Budget Estimates of Civil Expenditure for 1923-24 as now revised with the Budget for 1922-23 and the reductions recommended therein by the Retrenchment Committee —*contd.*

[In thousands of Rupees.]

Heads of Expenditure.	Budget, 1922-23, as shown on pages 292-293 of the Retrenchment Committee's Report.	Reduction recommended by the Retrenchment Committee.	Budget, 1923-24, as in estimates presented on 1st March.	Further reduction on distribution of lump deduction.	Budget, 1923-24, as revised (Column 4 —Column 5).	Reduction made in revised budget for 1923-24 on budget for 1922-23 (column 2 —column 6), exclusive of interest and sinking fund charges.
1	2	3	4	5	6	7
Brought forward .	1,00,70,22	5,33,84	1,01,18,01	3,09,86	98,08,15	4,52,87
POSTS AND TELEGRAPHS—						
Indian Postal and Telegraph Department.						
Working Expenses and Miscellaneous Expenditure .	9,53,27	1,37,27	8,24,90	3,00	8,21,90	1,31,37
Interest on Debt . .	66,00	...	68,28	...	68,28	
Total .	10,19,27	1,37,27	8,93,18	3,00	8,90,18	1,31,37
Indo-European Telegraph Department.						
Working Expenses . . .	43,35	7,34	41,09	5,07	36,02	7,33
Capital outlay charged to Revenue	...	...	—3,19	...	—3,19	3,19
Total .	43,35	7,34	37,90	5,07	32,83	10,52
Interest on ordinary Debt . .	11,86,02	...	11,79,52	...	11,79,52	
Interest on other obligations .	3,23,63	...	3,21,61	...	3,21,61	
Sinking Funds	2,29,00	...	2,20,44	...	2,20,44	
Total .	17,38,65	...	17,21,57	...	17,21,57	
General Administration—						
A.—Heads of Provinces, etc.						
B.—Legislative Bodies .						
C.—Secretariat, etc., establishment . . .						
D.—Commissioners . .	1,98,57	49,89	1,74,62	12,42	1,62,20	36,37
E.—District Administration						
F.—Home Administration, etc.						
	1,98,57	49,89	1,74,62	12,42	1,62,20	36,37
Carried over .	1,28,71,49	6,78,45	1,27,70,66	3,17,98	1,24,52,73	5,93,76

Statement comparing the Budget Estimates of Civil Expenditure for 1923-24 as now revised with the Budget for 1922-23 and the reductions recommended therein by the Retrenchment Committee—*concld.*

[In thousands of Rupees.]

Heads of Expenditure.	Budget, 1922-23, as shown on pages 292-293 of the Retrenchment Committee's Report.	Reduction recommended by the Retrenchment Committee.	Budget, 1923-24, as in estimates presented on 1st March.	Further reduction on distribution of lump deduction.	Budget, 1923-24, as revised (column 4—column 5.)	Reduction made in revised budget for 1923-24 on budget for 1922-23 (column 2—column 6) exclusive of interest and sinking fund charges.
1	2	3	4	5	6	7
Brought forward	1,28,71,49	6,78,45	1,27,70,06	3,17,93	1,24,52,73	5,94,76
	1,98,57	49,89	1,74 62	12,42	1,62,20	36,37
Audit	83,16	3,76	79,40	...	79,40	3,76
Administration of Justice	10,29	61	12,04	32	11,72	—1,43
Jails and Convict Settlements	44,35	4,80	40,89	80	40,09	4,26
Police	81,90	1,07	89,48	2,68	86,80	—4,90
Ports and Pilotage	26,32	2,11	25.67	55	25,12	1,20
Ecclesiastical	33,83	2,00	33,27	44	32,83	1,00
Political	2,93,14	45,70	3,31,36	16.75	3,14,61	—21,47
Scientific Departments	1,12,60	30,02	1,02,60	13,67	88,93	23,67
Education	32,96	5,19	34,86	2,70	32,16	80
Medical	32,84	6,40	30,62	2,82	27,80	5,04
Public Health	16,32	7,79	21,95	5,25	16,70	—38
Agriculture	23,36	2.86	21 66	85	20,81	2,55
Industries	1 79	1 29	76	...	76	83
Aviation	48	33	44	20	24	24
Miscellaneous Departments	26,71	11.18	46.73	3,81	42,92	—16.21
Total	10,18.42	1,75.00	10,46,35	63.26	9,83 09	35.33
Currency	80,82	...	94 89	...	94,89	—14,07
Mint	22 34	4 12	18,56	34	18,22	4.12
Exchange	20,60	...	...	...	...	20,60
Total	1.23.76	4.12	1.13.45	34	1,13,11	10,65
Civil Works	1,61,87	15,30	1,87,63	11,00	1,76,63	—14,76
Famine Relief	27	27	5	...	5	22
Territorial and Political Pensions	31,42	1,08	29,86	...	29,86	1,56
Superannuation Allowances and Pensions	3,54,27	6,30	3,47,62	1,00	3,46,62	7,65
Stationery and Printing	75,56	10,37	72,57	12,57	60,00	15,56
Miscellaneous	69,18	14,03	71,03	1,17	69,86	- 68
Total	5,30,70	32,05	5,21,13	14,74	5,06,39	24,31
Miscellaneous adjustments between the Central and Provincial Governments	63,29	...	3,62	...	3,62	59,67
GRAND TOTAL	1,47,69,53	9,04,92	1,46,42,84	4,07,27	1,42,35,57	7,09,96

Explanatory note on further reductions proposed.

Customs.—The reduction of ₹69,000 is on account of contemplated savings in overtime charge.

Salt.—A reduction of ₹84,000 under manuf acturing charges is made to reduce budget to Committee's figure.

Opium.—The reduction taken into account in the report of the Committee was arrived at before the amounts required for purchase of opium were finally settled. A subsequent further provision of ₹20 lakhs has had to be made for purchase of Malwa opium. It is proposed to reduce ₹1,00,000 by economies in establishment and miscellaneous charges.

Land Revenue.—A reduction of ₹27,000 is proposed in the estimates for Coorg.

Stamps.—The reduction of ₹5,87,000 is arrived at by allowing for recovery of all overhead charges of the Department and for larger credits on account of issues of surplus stocks in store.

Forest.—The reduction of ₹96,000 is effected by not filling up two appointments and by reduction in miscellaneous expenditure at the Research Institute.

Railways.—The reduction of ₹3 crores in working expenses follows the recommendations of the Retrenchment Committee, allowing for 'lag' of about half a crore.

Irrigation.—The reduction of ₹20,000 in working expenses is on account of the proposed abolition of one administrative division in the North-West Frontier Province.

Posts and Telegraphs.—Excluding Interest on Debt the budget of the Department was about ₹9 lakhs above that recommended by the Retrenchment Committee. A further provisional reduction of ₹3 lakhs has been made in the provision for expansion of establishment.

Indo-European Telegraph Department.—The reduction of ₹5 lakhs takes into account the full retrenchment recommended.

General Administration.—The further reduction of ₹12,42,000 is made up as follows :—

	₹
India Office	2,25,000
High Commissioner	1,50,000
Foreign and Political Department	95,000
Home Department and attached offices	1,62,000
Legislative Department	88,000
Army Department	22,000
Lump reduction for reorganisation of Secretariat Departments	5,00,000
TOTAL	12,42,000

Administration of Justice.—A reduction of ₹20,000 in the provision for establishment in the North-West Frontier Province and of ₹12,000 by abolition of Small Causes Court in Ajmer.

Jails and Convict Settlements.—A reduction of roughly 20 per cent. in the provision for rations and clothing of prisoners in the jails of the minor Administrations owing to fall in prices.

Police.—Reductions in the strength and cost of the police forces in the minor Administrations are proposed as follows:—

North-West Frontier Province	1,25,000
Delhi	60,000
Coorg	10,000
Ajmer	15,000
Rajputana	34,000
Central India	24,000
TOTAL	2,68,000

It may be noted that the provision for 1922-23 shown in the statement takes into account deductions of ₹9,51,000 provisionally made under this head to meet the cuts made by the Assembly on the total estimates for the minor Administrations. The bulk of these reductions were, however, subsequently distributed under other heads and consequently the actual expenditure on police was much higher than ₹81·90 lakhs.

Ports and Pilotage.—A reduction of ₹55,000 is proposed in the provision for allowances to Pilots.

Ecclesiastical.—The estimate for 1923-24 is ₹56.000 lower than that for 1922-23 and it is proposed to reduce a further ₹44,000 in order to make up ₹1 lakh which is half the reduction proposed by the Committee and allows for the necessary 'lag'.

Political.—Reductions are proposed as follows:—

	₹	
North-West Frontier Province	1,27,000	in cost of irregular forces and entertainment charges.
Baluchistan	11,35,000	in provision for additional levies and miscellaneous charges.
Persian Gulf	1,00,000	on cost of 'Lawrence,' and 'Nearchus'.
Rajputana	26,000	
Central India	27,000	
Gwalior	23,000	
Kashmir	11,000	
Bombay excluding Aden	86,000	
Burma	1,10,000	Charges on North-East Frontier.
Miscellaneous	30,000	
TOTAL	18,75,000	

The apparent large increase in expenditure in 1923-24 is due to the inclusion under this head of nearly 60 lakhs for expenditure on military police in Burma and Assam formerly shown under the head 'Adjustments'.

Scientific Departments.—Reductions are proposed as follows :—

	R
Survey of India	6,50,000
Meteorology	22,000
Geological Survey	20,000
Botanical Survey	53,000
Zoological Survey	20,000
Archæology	3,00,000
Expenditure in England, etc.	3,02,000
TOTAL	13,67,000

Education.—Reductions are proposed as follows :—

	R
Chiefs' Colleges	31,000
Grants for colleges and secondary education.	
North-West Frontier Province	1,00,000
Baluchistan	15,000
Delhi	75,000
Coorg	20,000
Ajmer	20,000
Hyderabad	9,000
TOTAL	2,70,000

Medical.—The proposed reductions are :—

	R
Headquarters charges and Research	1,00,000
Expenditure on X-Rays stores in England	1,27,000
Reductions in minor Administrations	55,000
TOTAL	2,82,000

Public Health.—The reductions proposed are :—

	R
Grants to Research Associations	5,00,000
„ Central Health Board	5,000
Reduction of post of Sanitary Commissioner	20,000
TOTAL	5,25,000

Agriculture.—

	R
Miscellaneous reductions in cost of Pusa and Muktesar Institutes	66,000
Savings in North-West Frontier and Baluchistan	19,000
TOTAL	85,000

Aviation.—

	R
Reductions in provision for Chief Inspector and Miscellaneous Charges	20,000

Miscellaneous Departments.—The reductions are as follows :—

	R
Commercial Intelligence	50,000
Census expenditure	13,000
Board of Examiners	25,000
Indian Stores Department	1,41,000
Indian Trade Commissioner in London	60,000
Trade Commissioner in East Africa	39,000
Stores, etc., in England	45,000
Trade registration in North-West Frontier Province and Baluchistan	8,000
TOTAL	3,81,000

The larger provision for 1923-24 is due to charges in England on account of the British Empire Exhibition (R15 lakhs).

Currency.—The increase in expenditure in 1923-24 is mainly due to larger payments on account of currency notes in England.

Civil Works.—Further reductions of R5 lakhs are proposed in the allotment for major works and R3½ lakhs on allotment for repairs bringing the latter down to the figure mentioned in Committee's Report. As a result an automatic reduction of about R1,70,000 occurs in payment to local Governments for work done for the Central Government. Reductions have already been effected to meet Committee's Report in Rajputana and Central India establishments and a further reduction of R20,000 is proposed for Coorg.

Stationery and Printing.—Considerable further savings are proposed in the cost of Government presses and in the indent for stationery stores in England.

Miscellaneous.—Reductions are proposed as follows :—

	R
Revision of incidence of certain payments to local funds	20,000
Reserve at disposal of Chief Commissioner, North-West Frontier Province, etc.	32,000
Reductions in payments to Delhi Notified Area Committee, etc.	65,000
TOTAL	1,17,000

Declaration by the Governor-General in Council under section 67-A (7) of the Government of India Act regarding certain demands refused by the Legislative Assembly.

In pursuance of section 67-A(7) of the Government of India Act the Governor General in Council is pleased to declare that the following demands which have been refused by the Legislative Assembly are essential to the discharge of his responsibilities, namely :—

Number of demand.	Service to which demand relates.	Amount of demand refused by the Legislative Assembly.
		R
8	Railways—Working Expenses	1,14,00,000
44	Miscellaneous—Public Services Commission . .	3,00,000

E. M. COOK,

Secretary to the Government of India.

The 20th March 1923.

Statement of deficit for 1923-24 as it stood after the voting of demands by the Legislative Assembly.

The net revenue of the Central Government (*i.e.*, after deduction of the working expenses of Commercial Departments) and the expenditure chargeable to revenue stood as follows in the estimates placed before the Legislature on the 1st March :—

	R
Net revenue	1,26,61,71,000
Expenditure	1,30,87,92,000
Deficit .	4,26,21,000

2. In distributing the lump reduction of 4 crores made in the original estimates for giving effect to the recommendations of the Retrenchment Committee, the Government of India found it possible to make a reduction of R7,27,000 in excess of 4 crores. The following further reductions were

made by the Legislative Assembly in the course of the voting of the demands :—

	R
(1) Customs	4,00,000
(2) Railways	50,00,000
(3) Do.	1,14,00,000
(4) General Administration	5,10,000
(5) Stamps	1
(6) Miscellaneous : Public Services Commission	3,00,000
	1,76,10,001

3. The Governor General in Council has decided to restore the reductions numbered (3) and (6), and having regard to the very large reductions already made in the estimates of expenditure, it is considered that an allowance of R9 lakhs should be made for supplementary grants in respect of reductions Nos. (1) and (4). The corrected estimates of revenue and expenditure thus stand at R1,30,16,79,000 and R1,33,85,62,999 respectively and the deficit at R3,68,83,999.

The 22nd March 1923.

THE INDIAN FINANCE BILL.

AS PASSED BY THE LEGISLATIVE ASSEMBLY ON THE 20TH MARCH 1923.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows :— VIII of 1894. VI of 1898.

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1923.

(*2*) It extends to the whole of British India, including the Sonthal Parganas and British Baluchistan.

(*3*) Sections 2, 4 and 6 shall remain in force only up to the 31st day of March 1924.

Fixation of salt duty.

2. (*1*) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, any such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section. XII of 1882.

(*2*) Section 2 of the Indian Finance Act, 1922, is hereby repealed. XII of 1922.

(*3*) Notwithstanding anything contained in the Provisional Collection of Taxes Act, 1918, the duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, shall for the period beginning on the first day of March, 1923, and ending on the day preceding the commencement of this Act, be deemed for all the purposes of the Indian Salt Act, 1882, to have been imposed by rule made under section 7 of that Act at the rate of two rupees and eight annas per maund of eighty-two and two-sevenths pounds avoirdupois. XVI of 1918 XII of 1882.

Amendment of Act VIII of 1894.

3. (*1*) In Schedule II to the Indian Tariff Act, 1894, the amendments specified in the First Schedule to this Act shall be made. VIII of 1894.

(*2*) In Schedule III to the same Act, in item No. 3, for the entry in the fourth column the entry " 5 per cent." shall be substituted.

Postal rates.

4. With effect from the first day of April, 1923, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. VI of 1898.

Amendment of Act of 1923.

5. In sub-section (7) of section 19 of the Indian Paper Currency Act 1923, for the figures "1923" the figures "1924" shall be substituted.

Income-tax and super-tax.

6. (*1*) Income-tax for the year beginning on the first day of April, 1923, shall be charged at the rates specified in Part I of the Third Schedule.

(*2*) The rates of super-tax for the year beginning on the first day of April, 1923, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule. XI of 1922.

(*3*) For the purposes of the Third Schedule, "total income" means total income as defined in clause (*15*) of section 2 of the Indian Income-tax Act, 1922. XI of 1922.

It is hereby declared that it is expedient in the public interest that the provisions of clauses 2 and 3 of this Bill should have temporary effect under the provisions of the Provisional Collection of Taxes Act, 1918. XVI of 1898.

[Schedules as on pages 53–58 of this volume.]

RECOMMENDATION BY THE GOVERNOR GENERAL TO THE COUNCIL OF STATE.

In pursuance of the provisions of sub-section (*1*) of section 67-B of the Government of India Act, I, Rufus Daniel, Earl of Reading, do recommend to the Council of State that it do pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, in the form in which it was passed by the Legislative Assembly with the following amendments, namely :—

"(*1*) That in sub-clause (*1*) of clause 2, after the words "construed as if" the words "with effect from the first day of March, 1923," be inserted, and that for the words "one rupee and four annas" the words "two rupees and eight annas" be substituted.

(*2*) That at the beginning of sub-clause (*2*) of clause 2 the following words be inserted, namely :—

"With effect from the first day of March, 1923".

(*3*) That sub-clause (*3*) of clause 2 be omitted.

(*4*) That to clause 3 a new sub-clause be added, namely :—

"(*3*) The amendments made in the Indian Tariff Act, 1894, by this section shall have effect from the first day of March, 1923."

READING,

Viceroy and Governor General.

March 20th, 1923.

THE INDIAN FINANCE BILL.

AS PASSED BY THE COUNCIL OF STATE ON THE 23RD MARCH, 1923.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows:— VIII of 1894. VI of 1898. X of 1923.

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1923.

(*2*) It extends to the whole of British India, including the Sonthal Parganas and British Baluchistan.

(*3*) Sections 2, 4 and 6 shall remain in force only up to the 31st day of March, 1924.

Fixation of salt duty.

2. (*1*) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if with effect from the first day of March, 1923, they imposed such duty at the rate of two rupees and eight annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section. XII of 1882.

(*2*) With effect from the first day of March, 1923, section 2 of the Indian Finance Act, 1922, is hereby repealed. XII of 1922.

Amendment of Act VIII of 1894.

3. (*1*) In Schedule II to the Indian Tariff Act, 1894, the amendments specified in the First Schedule to this Act shall be made. VIII of 1894.

(*2*) In Schedule III to the same Act, in item No. 3, for the entry in the fourth column the entry "5 per cent." shall be substituted.

(*3*) The amendments made in the Indian Tariff Act, 1894, by this section shall have effect from the first day of March, 1923. VIII of 1894.

Postal rates.

4. With effect from the first day of April, 1923, the Schedule contained in the Second Schedule to this Act, shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. VI of 1898.

X of 1923.

5. In sub-section (*7*) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1923" the figures "1924" shall be substituted.

Amendment of Act X of 1923.

6. (*1*) Income-tax for the year beginning on the first day of April, 1923, shall be charged at the rates specified in Part I of the Third Schedule.

Income-tax and super-tax.

(*2*) The rates of super-tax for the year beginning on the first day of April, 1923, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule.

XI of 1922.

(*3*) For the purposes of the Third Schedule, "total income" means total income as defined in clause (*15*) of section 2 of the Indian Income-tax Act, 1922.

XI of 1922.

It is hereby declared that it is expedient in the public interest that the provisions of clauses 2 and 3 of this Bill should have temporary effect under the provisions of the Provisional Collection of Taxes Act, 1918.

XVI of 1918

[Schedules as on pages 36—39 of this volume.]

RECOMMENDATION BY THE GOVERNOR GENERAL TO THE LEGISLATIVE ASSEMBLY.

In pursuance of the provisions of sub-section (*1*) of section 67-B of the Government of India Act, I, Rufus Daniel, Earl of Reading, do recommend to the Legislative Assembly that it do pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, in the form in which it was passed by the Council of State.

READING,

March 23rd, 1923. *Viceroy and Governor General.*

CERTIFICATE BY THE PRESIDENT, LEGISLATIVE ASSEMBLY.

The Legislative Assembly has failed to pass the Bill in the form recommended.

A. F. WHYTE,

27th March, 1923. *President of the Legislative Assembly.*

CERTIFICATE BY THE GOVERNOR GENERAL.

WHEREAS I, Rufus Daniel, Earl of Reading, in pursuance of the power conferred by sub-section (*1*) of section 67-B of the Government of India Act did recommend to the Council of State that it should pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, in the form annexed hereto,

AND WHEREAS the Council of State did pass the said Bill in that form,

AND WHEREAS I did, in pursuance of the same power, recommend to the Legislative Assembly that it should pass the said Bill in the form in which it was passed by the Council of State,

AND WHEREAS the Legislative Assembly has failed to pass the said Bill in that form,

NOW THEREFORE I, Rufus Daniel, Earl of Reading, in exercise of the power conferred by the said sub-section, do hereby certify that the passage of the said Bill is essential for the interests of British India.

READING,

The 29th March, 1923. *Viceroy and Governor General.*

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

Delhi, the 29th March, 1923.

The following Act made by the Governor General under the provisions of section 67-B of the Government of India Act is hereby published for general information :—

An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows :— VIII of 1894. VI of 1898. X of 1923.

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1923.

(*2*) It extends to the whole of British India, including the Sonthal Parganas and British Baluchistan.

(*3*) Sections 2, 4 and 6 shall remain in force only up to the 31st day of March, 1924.

XII of 1882.

2. (*1*) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the first day of March, 1923, they imposed such duty at the rate of two rupees and eight annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

Fixation of salt duty.

(*2*) With effect from the first day of March, 1923, section 2 of the Indian Finance Act, 1922, is hereby repealed.

XII of 1922.

VIII of 1894.

3. (*1*) In Schedule II to the Indian Tariff Act, 1894, the amendments specified in the First Schedule to this Act shall be made.

Amendment of Act VIII of 1894.

(*2*) In Schedule III to the same Act, in item No. 3, for the entry in the fourth column the entry "5 per cent." shall be substituted.

VIII of 1894.

(*3*) The amendments made in the Indian Tariff Act, 1894, by this section shall have effect from the first day of March, 1923.

4. With effect from first day of April, 1923, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

VI of 1898.

Postal rates.

X of 1923.

5. In sub-section (*7*) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1923" the figures "1924" shall be substituted.

Amendment of Act X of 1923.

6. (*1*) Income-tax for the year beginning on the first day of April, 1923, shall be charged at the rate specified in Part I of the Third Schedule.

Income-tax and super-tax.

(*2*) The rates of super-tax for the year beginning on the first day of April, 1923, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule.

XI of 1922.

(*3*) For the purposes of the Third Schedule, "total income" means total income as defined in clause (*15*) of section 2 of the Indian Income-tax Act, 1922.

XI of 1922.

SCHEDULE I.

Amendments to be made in Schedule II to the Indian Tariff Act, 1894.

[*See section 3* (*1*).]

1. In Item No. 4, after the words "all sorts" the words "except ochres and other pigment ores" shall be added.

2. For Item No. 14 the following shall be substituted, namely :—

"CINCHONA BARK and the alkaloids extracted therefrom including QUININE."

3. In Item No. 29, for the words " spirit, which has been rendered effectually and permanently unfit for human consumption " the words " Denatured Spirit " shall be substituted.

4. In Item No. 30, to the entry in the fourth column the words " or 15 per cent. *ad valorem*, whichever is higher " shall be added.

5. In Item No. 31, the following shall be added to each of the entries in the fourth column, namely :—

" or 15 per cent. *ad valorem*, whichever is higher."

6. In Item No. 34, in the second column, the words " and saccharine produce of all sorts " shall be omitted.

7. After Item No. 34, the following heading and items shall be inserted, namely :—

"	SACCHARINE.		
34-A.	SACCHARINE (except in tablets)	Pound . .	20 0
34-B.	SACCHARINE TABLETS . .	*Ad valorem* .	25 per cent. or R20 per pound of saccharine contents, whichever is higher."

8. In Item No. 43, for the entry in the fourth column, the following shall be substituted namely :—" 24-0 or 15 per cent. *ad valorem*, whichever is higher."

9. For Item No. 51 the following items shall be substituted, namely :—

" 51	MACHINERY, namely, such of the following articles as are not specified in any of the following numbers, namely, Nos. 15, 16, 53, 54, 55, 87, 90-A., 96, 103, 111 and 127 :—	
	(1) prime-movers, boilers, locomotive engines and tenders for the same, portable engines (including power-driven road rollers, fire engines and tractors), and other machines in which the prime-mover is not separable from the operative parts ;	
	(2) machines and sets of machines to be worked by electric, steam, water, fire or other power, not being manual or animal labour, or which before being brought into use require to be fixed with reference to other moving parts ;	
	(3) apparatus and appliancees, not to be operated by manual or animal labour, which are designed for use in an industrial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose ;	
	(4) control gear, self-acting or otherwise, and transmission-gear designed for use with any machinery above specified, including belting of all materials and driving chains but not driving ropes ;	
	(5) bare hard-drawn electrolytic copper wires and cables and other electrical wires and cables, insulated or not ; and poles, troughs, conduits and insulators designed as parts of a transmission system, and the fittings thereof.	
	Note.—The term " industrial system " used in sub-clause (3) means an installation designed to be employed directly in the performance of any process or series of processes necessary for the manufacture, production or extraction of any commodity.	

51 A | COMPONENT PARTS OF MACHINERY, as defined in No. 51, namely, such parts only as are essential for the working of the machine or apparatus and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose :

Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the machine to which they belong if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable."

10. Item No. 52 and the heading thereto shall be omitted.

11. Item No. 56 shall be omitted.

12. For Item No. 61 the following shall be substituted, namely :—

"61 | IRON OR STEEL, anchors and cables.

" " " beams, joists, pillars, girders and other structural shapes, whether fabricated or not, screw piles, bridge work and other desciptions of iron or steel not ordinarily used for other than building purposes ; including ridging, guttering, flashing and continuous roofing ; also including expanded metal and other descriptions of iron or steel designed for use in the reinforcing of concrete ; but not including builders' hardware, that is to say, grates, stoves, ventilators, door and window fittings and the like ; (*See* No. 90.)

" " " bolts and nuts, including hook-bolts and nuts for roofing.

" " " hoops and strips.

" " " nails, rivets and washers, all sorts.

" " " pipes and tubes and fittings therefor, that is to say, bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks and the like.

" " " rails, chairs, sleepers, bearing and fish-plates, spikes (commonly known as dog-spikes), switches and crossings, other than those described in No. 63, also lever-boxes, clips and tie-bars.

" " " sheets and plates, all sorts, whether fabricated or not, including discs and circles.

" " " wire, including fencing-wire, piano-wire and wire-rope, but excluding wire netting (*See* No. 97)."

13. In Item No. 62, the words "engines, tenders" shall be omitted, and for the second proviso, the following proviso shall be substituted, namely :—

"Provided also that nothing shall be deemed to be dutiable hereunder which is dutiable under No. 51 or No. 51-A."

14. After Item No. 63 the following item shall be inserted, namely :—

"63-A. | COMPONENT PARTS OF RAILWAY MATERIALS, as defined in No. 63, namely, such parts only as are essential for the working of railways and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose :

Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the railway material to which they belong, if they are essential to its operation and are imported, with it in such quantities as may appear to the Collector of Customs to be reasonable."

15. To Item No. 64 the following proviso shall be added, namely :—

"Provided that articles of machinery as defined in No. 51 or No. 51-A shall, when separately imported not be deemed to be included hereunder."

16. For Item No. 87 and the heading thereto the following shall be substituted, namely :—

CONVEYANCES.

"87	CONVEYANCES, including tramcars, motor-omnibuses, motor lorries, motor-vans, passenger lifts, carriages, carts, jinrikshas, bath-chairs, perambulators, trucks, wheel barrows, bicycles, tricycles and all other sorts of conveyances not otherwise specified, and component parts and accessories thereof, except such parts and accessories of the motor vehicles abovementioned as are also adapted for use as parts or accessories of motor cars, motor cycles or motor scooters (*See* No. 127)."

17. After Item No. 90 the following item shall be inserted, namely :—

"90A	ELECTRICAL CONTROL GEAR AND TRANSMISSION GEAR, namely, switches, fuses and current-breaking devices of all sorts and descriptions, designed for use in circuits of less than ten *amperes* and at a pressure not exceeding 250 volts, and regulators for use with motors designed to consume less than 187 watts; bare or insulated copper wires and cables, any one core of which has a sectional area of less than one-eightieth part of a square inch, and wires and cables of other metals of not more than equivalent conductivity; and line insulators, including also cleats, connectors, leading-in tubes and the like, of types and sizes such as are ordinarily used in connection with the transmission of power for other than industrial purposes, and the fittings thereof."

18. To Item No. 96 the following shall be added, namely :—

"and any machines (except such as are designed to be used exclusively in industrial processes) which require for their operation less than one quarter of one brake-horse-power."

19. In Item No. 103, after the word "tiles" the words "firebricks not being component parts of any article included in No. 51 or No. 63" shall be inserted, and after the word "specified" the words "including bitumen and other insulating materials" shall be added.

20. In Item No. 127, the words "bicycles and tricycles" and the words "or of bicycles or tricycles" shall be omitted.

21. To Item No. 130 the words "and parts thereof" shall be added.

22. In Item No. 139, the word "and" shall be inserted after the word "cycles" and the words "bicycles and tricycles" shall be omitted.

SCHEDULE II.

Schedule to be inserted in the Indian Post Office Act, 1898.

(*See section 4.*)

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

(*See section 7.*)

Letters.

For a weight not exceeding two and a half tolas	One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas	One anna.

Postcards.

Single	Half an anna.
Reply	One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof	Half an anna.

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas . . .	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas . . .	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas . . .	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas . . .	Four annas."

SCHEDULE III.

(*See section 6.*)

PART I.

Rates of Income-tax.

	Rate.
A. In the case of every individual, every unregistered firm and every undivided Hindu family—	
(1) When the total income is less than ₹2,000	*Nil.*
(2) When the total income is ₹2,000 or upwards, but is less than ₹5,000.	Five pies in the rupee.
(3) When the total income is ₹5,000 or upwards, but is less than ₹10,000.	Six pies in the rupee.
(4) When the total income is ₹10,000 or upwards, but is less than ₹20,000.	Nine pies in the rupee.
(5) When the total income is ₹20,000 or upwards, but is less than ₹30,000.	One anna in the rupee.
(6) When the total income is ₹30,000 or upwards, but is less than ₹40,000.	One anna and three pies in the rupee.
(7) When the total income is ₹40,000 or upwards	One anna and six pies in the rupee.
B. In the case of every company, and every registered firm, whatever its total income.	One anna and six pies in the rupee.

PART II.

Rates of Super tax.

In respect of the excess over fifty thousand rupees of total income :—

	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first twenty-five thousand rupees of the excess .	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess.	One anna in the rupee.

(*b*) in the case of every individual and every unregistered firm, for every rupee of the first fifty thousand rupees of such excess.	One anna in the rupee..
(*c*) in the case of every individual, every unregistered firm and every Hindu undivided family—	
(*i*) for every rupee of the second fifty thousand rupees of such excess	One and a half annas in the rupee
(*ii*) for every rupee of the next fifty thousand rupees of such excess	Two annas in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess	Two and a half annas in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess	Three annas in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess	Three and a half annas in the rupee
(*vi*) for every rupee of the next fifty thousand rupees of such excess	Four annas in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess	Four and a half annas in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess	Five annas in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess	Five and a half annas in the rupee.
(*x*) for every rupee of the remainder of the excess	Six annas in the rupee.

READING,

The 29th March, 1923. *Viceroy and Governor General.*

This Act has been made by me as Governor General under the provisions of section 67-B of the Government of India Act.

READING,

The 29th March, 1923. *Viceroy and Governor General.*

WHEREAS I, Rufus Daniel, Earl of Reading, am of opinion that a state of emergency exists which justifies a direction by me that the Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the duty leviable on certain articles under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, being an Act made by me under the provisions of section 67-B of the Government of India Act, shall come into operation forthwith,

NOW THEREFORE, in exercise of the power conferred by the proviso to sub-section (2) of that section, I do hereby direct accordingly.

READING,

The 29th March, 1923. *Viceroy and Governor General.*

L. GRAHAM,

Offg. Secretary to the Government of India.

FINANCE DEPARTMENT.

NOTIFICATION

ACCOUNTS AND FINANCE.

ESTIMATES AND ACCOUNTS.

Delhi, the 29th March 1923.

No. 562-F.— The following statement is published for general information:—

A statement by His Excellency the Governor General of the reasons which moved him to pass an order under section 67-B of the Government of India Act for certification of the Indian Finance Bill as originally introduced in the Legislative Assembly, providing for an increase in the existing salt duty for one year, (*i.e.*) till the 31st March 1924, to a rate of R2-8 a maund.

E. M. COOK,

Secretary to the Government of India.

STATEMENT.

In the course of the debates on the Finance Bill I was deeply concerned to find that I and my Government were in disagreement with the majority of the Legislative Assembly in regard to the necessity of imposing an increase in the salt tax from R1-4 to R2-8 per maund in order to balance the budget and produce financial equilibrium. The Bill as introduced with this provision was not passed by the Legislative Assembly in the form proposed by my Government. It was recommended by me, in the original form proposed, to the Council of State where it was passed by a majority of 18 votes. It was returned to the Legislative Assembly in the form recommended to the Council of State and rejected by a majority of 11 votes. I have a high respect for the convictions of the Legislative Assembly, but after careful consideration I find I cannot subscribe to them; and I have decided to exercise the special powers with which I have been invested by His Majesty's Government under the provisions of section 67-B of the Government of India Act and to certify the Bill. I have arrived at this decision after much

anxious thought and deliberation and I desire to make clear my reasons for taking this action.

Ever since I came to India and learnt the financial conditions I have been deeply impressed by the imperative necessity of placing India's finances on a sound basis and have kept this object continually in view. The first budget after my arrival was that of 1922-23. I then learnt that there had been cumulative deficits in the four preceding years totalling 90 crores. Heavy increases of taxation had been imposed by my predecessor's Government in 1921-22 in order to balance the budget. Taxation had again to be enhanced by my Government in 1922-23 and an increase was also made in the postal and railway charges. It will be remembered that at that time my Government also proposed to double the salt duty. The Legislative Assembly rejected this proposal; I accepted their decision and did not certify the necessary legislation for the purpose. Without dwelling in detail on my reasons it will suffice to mention (*a*) that my Government were deeply impressed with the need urged by the Legislature for retrenchment in both military and civil expenditure as a necessary step to precede any further taxation of this nature; (*b*) that food prices were then high and wheat in particular exceptionally high. When we came to frame the budget of the present year we found that notwithstanding the admirable work accomplished by Lord Inchcape and his Committee, and after making very far-reaching reductions in expenditure, we had again to face a deficit not so large indeed as last year, but nevertheless amounting to nearly four crores. We have striven our utmost to restore equilibrium by scrutiny of estimates of revenue and expenditure but have failed. Speaking with all the responsibility falling on me and my Government I am convinced that the position cannot be ameliorated by any addition however tempting in appearance to revenue or by any deduction from expenditure.

My Government held that in view of the past accumulated deficits it was essential in the interests of India to balance its budget. It had every reason to look for the support of the public and the Legislature in this view. Ever since my arrival in this country the Legislature, all sections of the press and public men in deputations, addresses, and speeches have insistently urged on me the vital necessity of securing financial equilibrium. In addition representations had persistently been made that the Government of India should balance its budget in order that it might begin to remit the contributions of 9¼ crores from the provincial Governments to the Government of India, a matter vitally important to the progress of those Departments which have, under the Reforms Scheme, been committed to the charge of Ministers.

The rehabilitation of India's credit by presenting a balanced budget was not a measure which could be delayed. The need for large capital funds for material development obliges the Indian Government to enter the money market for considerable sums both in England and India; it would be in the highest degree unfortunate if it had been obliged to present a deficit for the sixth year in succession, and when the circumstances no longer permitted a hope that the deficit was purely temporary or was one which would yield to a determined effort at retrenchment. Reductions have been made in military charges which seemed incredible a year ago. The Government of India have stated that in making these reductions we are taking military risks, but we feel that we are justified by the financial stringency. His Majesty's

Government have agreed in principle to the reductions. In the civil departments similar retrenchments of a far-reaching character have been accepted. If after making these efforts we still had to present a deficit, there was every possibility that the fact would react on our position as a borrower. Our hopes for a gradual reduction in our interest charges would be frustrated with results damaging not only to India's progress as a country, but to every industrial and trading interest in the land. The provinces have now their own commitments for capital expenditure on their material development. Their interests would suffer even more severely than those of the Central Government in proportion as their resources are more limited.

The most careful and anxious consideration was given to the possibility of finding an alternative to the salt tax as a means of raising the additional revenue necessary to attain equilibrium. No alternative presented itself to Government nor indeed, when the matter came to be discussed, to the Legislature. The reason is obvious. Those engaged in trade and industry have had laid upon them heavy increases in taxation during recent years. Postal and railway rates have been enhanced. The burden thus placed on commerce and industry will require time for adjustment, and further taxation in these directions would have failed to provide the sum required. I have myself given most careful consideration to the objections which appear to exist against the enhancement of the salt tax whether on economic grounds or those of sentiment. The tax is said to have historic unpopularity; but it existed before British rule. In the period from 1861-1877 it stood in Northern India at ₹3. In 1878 the rate was ₹2-12. From 1879-1881 and again from 1888-1902 it stood at ₹2-8-0 and since 1916 it has been at ₹1-4-0. The objection is thus not to the tax itself but to its present enhancement. Every increase in the rate of a tax is unpopular; yet it must be remembered that it has been collected in the ordinary way at the enhanced rate throughout British India since the 1st of March of this year. The economic arguments against the tax appear to stand on shadowy foundations. Perhaps never in the recent history of India has there been a year in which such enhancement will press more lightly on the poor. Wages are still on a favourable basis; but prices of food-stuffs have markedly fallen and with the abundant promise of a rich harvest around us may be expected to decrease still further. Even a slight fall in the price of food-stuffs is of great importance to the poor family. The mill labourer is shown to spend approximately 56 per cent. of his income on food and of this amount salt represents only two-fifths of 1 per cent The increase in salt tax must have an infinitesimal effect at a period such as this; prices of food grains fell by 20 per cent. between October 1921 and December 1922: between January 1922 and 1923 retail prices of wheat fell by 100 per cent. in important centres of Northern India.

These considerations were duly laid before the Legislative Assembly. That body had from the first admitted in principle the paramount necessity of balancing the budget. Many of the members had emphasised the need of regaining equilibrium as a necessary preliminary to fulfilling our obligations in regard to the gradual reduction of provincial contributions; and it is indeed obvious that no step in this direction can be taken so long as the finances of the Central Government are in deficit. The Assembly was unable to agree on the adoption of any alternative form of taxation which would secure the full amount required. Nevertheless, it rejected the proposal for an enhancement of the salt tax. It was in these circumstances that it became

my duty to certify the measure. It must be clearly understood that my action merely imposes an enhancement of the tax until March 31st, 1924, when the matter must again come before the Legislature. It will then have had a year's experience of the operation of the tax, and it will be in a position to determine whether, in view of the condition of the country and having regard to our obligations to the provinces, it will vote for its retention.

I hold strict views regarding the exercise of my special powers; their use can only be justified, in the words of the Government of India Act, when it is essential for the interests of British India. This requirement has throughout been present to my mind. In the present case the interests of India only and no other interests are in question. A balanced budget is absolutely essential to her interests at the present time, and I believe that it is my duty to take the necessary action to secure this in the discharge of the responsibility placed upon me as Governor General by the Imperial Parliament.

It may be that the scheme of reforms introduced by the Government of India Act will be attacked on account of the action taken by me. This would be unfortunate and could only be due to misapprehension; for the constitution is embodied in the Act, and I do not believe that there is any substantial difference as regards the meaning of the important provisions under which I am acting. Unbalanced budgets appear to me to involve dangers to the future of India perhaps inherently greater than any constitutional or political issue, while their immediate effect is to stifle the development in the provision of all those beneficent activities, *e.g.*, Education, Public Health, Industry, which should be the first fruits of the reforms. I am convinced therefore that my action will prove of ultimate benefit in the development of the reforms and the advancement of India and for these I shall continue to labour in the discharge of the high responsibilities entrusted to me as Governor General.

READING,

The 29th March 1923. *Viceroy and Governor General.*

No. 576-F.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

ACCOUNTS AND FINANCE.
Estimates and Accounts.

Delhi, the 29th March 1923.

RESOLUTION.

The statements relating to the Revised estimates for 1922-23 and the Budget estimates for 1923-24 which were presented to the Legislative Assembly and the Council of State on the 1st March 1923 have now been revised with reference to (1) the distribution among the heads of account concerned of the lump allowance made in the original statements for reductions recommended by the Retrenchment Committee, (2) the changes made by the Legislative Assembly when voting the demands for grants and (3) the restoration by the Governor General in Council of certain demands refused by the Assembly. Certain alterations have also been made in the Revised estimates in the light of more recent information. The revised statements are now published for general information.

E. M. COOK,

Secretary to the Government of India.

BUDGET

of the

GOVERNMENT OF INDIA,

MARCH 1923.

ACCOUNTS	1921-22
REVISED ESTIMATES	1922-23
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I.--General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement	Accounts, 1921-22.	Budget Estimate, 1922-23.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
		Rs.	Rs.	Rs.	Rs.
Revenue—					
Principal Heads of Revenue—					
Customs	A	34,40,98,381	45,41,84,000	42,30,03,000	45,09,41,000
Taxes on Income	,,	18,74,13,424	22,11,39,000	17,89,31,000	19,04,64,000
Salt	,,	6,34,37,848	6,86,03,000	7,17,84,000	11,75,00,000
Opium	,,	3,07,24,798	3,09,30,000	3,98,68,000	3,93,12,000
Other Heads	,,	2,20,16,921	2,35,85,000	2,37,37,000	2,44,97,000
TOTAL PRINCIPAL HEADS		64,76,91,372	79,84,41,000	78,73,23,000	82,27,14,000
Railways : Net Receipts	,,	15,20,82,829	31,10,94,000	25,81,31,000	31,76,58,000
Irrigation : Net Receipts	,,	5,94,141	7,22,000	10,26,000	10,83,000
Posts and Telegraphs : Net Receipts	,,	56,52,778	1,75,28,000	90,58,000	2,08,32,000
Interest Receipts	,,	1,11,00,700	84,31,000	1,04,11,000	2,50,96,000
Civil Administration	,,	77,29,211	86,49,000	56,20,000	62,08,000
Currency, Mint and Exchange	,,	4,37,42,093	3,22,31,000	3,53,10,000	2,69,26,000
Civil Works	,,	11,33,782	10,92,000	11,25,000	10,69,000
Miscellaneous	,,	(a) 7,18,56,875	66,11,000	67,62,000	48,34,000
Military Receipts	,,	8,06,93,832	5,54,14,000	5,01,01,000	3,04,87,000
Contributions and Assignments to the Central Government by Provincial Governments	,,	12,98,72,704	9,20,65,000	9,21,50,000	9,21,36,000
TOTAL REVENUE		1,45,21,50,317	1,33,22,78,000	1,20,70,17,000	1,34,90,43,000
DEFICIT		27,65,01,700	9,16,28,000	17,25,35,000	...
TOTAL		1,42,86,52,017	1,42,39,06,000	1,37,95,52,000	1,34,90,43,000

(a) Includes proceeds of freight tax which was replaced from 1922-23 by increased goods rates.

DELHI,
FINANCE DEPARTMENT,
March 29, 1923.

M. F. GAUNTLETT,
Auditor General.

Revenue of the Central Government, in India and in England.

	For details, *vide* Statement	Accounts, 1921-22.	Budget Estimate, 1922-23.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
		Rs.	Rs.	Rs.	Rs.
Expenditure—					
Direct Demands on the Revenues	B	5,27,12,199	5,53,32,000	5,30,73,000	5,37,22,000
Railways : Interest and Miscellaneous Charges	,,	24,29,82,572	25,98,53,000	26,23,91,000	27,91,32,000
Irrigation	,,	14,48,454	11,19,000	12,25,000	14,20,000
Posts and Telegraphs	,,	1,66,00,497	97,32,000	66,42,000	53,35,000
Debt Services	,,	15,99,70,014	15,20,09,000	15,07,90,000	17,21,57,000
Civil Administration	,,	9,40,80,047	9,74,06,000	10,01,05,000	9,78,29,000
Currency, Mint and Exchange.	,,	1,07,48,311	10,81,72,000 (*b*)	1,50,28,000	1,13,11,000
Civil Works	,,	1,54,20,200	1,61,49,000	1,50,01,000	1,76,63,000
Miscellaneous.	,,	5,58,91,383	4,05,91,000	5,30,32,000	5,15,39,000
Military Services	,,	77,87,98,340	67,72,14,000	72,09,79,000	65,04,87,000
Miscellaneous adjustments between the Central and Provincial Governments	,,	...	63,29,000	3,86,000	3,62,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,42,86,32,017	1,42,39,06,000	1,37,95,52,000	1,34,09,57,000
SURPLUS		...	...	...	80,86,000
TOTAL		1,42,86,52,017	1,42,39,06,000	1,37,95,52,000	1,34,90,43,000

(*b*) Includes adjustment for exchange on net expenditure in England which has been distributed among the individual heads of account in the Accounts for 1921-22, the Revised estimates for 1922-23 and the Budget estimates for 1923-24.

A. C. McWATTERS,
Controller of the Currency.

E. M. COOK,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement	Receipts. Accounts, 1921-22.	Budget Estimate, 1922-23.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
		Rs.	Rs.	Rs.	Rs.
Surplus	C	...	...	...	80,86,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards construction of State Railways	"	63,88,170	3,86,74,000	26,78,000	4,51,26,000
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	"	42,26,70,108	41,21,93,000	66,45,36,000	33,15,56,000
Floating Debt (net incurred)	"	6,92,60,000	...	...	...
Unfunded Debt (net incurred)	"	4,62,46,893	3,07,15,000	3,14,11,000	5,01,85,000
Deposits and Advances (net)	"	18,71,20,018	24,76,67,000	18,64,85,000	11,42,69,000
Loans and Advances by Central Government (net Repayments)	"	...	9,74,000	18,99,000	6,67,000
Remittances (net)	"	3,24,36,065	1,41,53,000	1,64,000	...
Secretary of State's Bills drawn	"	...	...	2,57,00,000	...
Balances of Provincial Governments (net)	"	...	...	1,57,37,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES	...	75,77,33,084	70,57,02,000	92,59,32,000	49,66,77,000
TOTAL RECEIPTS	...	76,41,21,254	74,43,76,000	92,86,10,000	54,98,89,000
Opening Balance—India	...	13,53,56,901	22,48,09,901	25,66,13,170	23,89,58,170
England	...	7,20,98,319	7,00,48,319	8,99,53,817	7,41,81,817
TOTAL	...	97,45,76,474	1,03,92,34,220	1,27,51,76,987	86,30,28,987

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT,
March 29, 1923.

Central Government, in India and in England.

	For details, *vide* Statement	Disbursements. Accounts, 1921-22.	Budget Estimate, 1922-23.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
		Rs.	Rs.	Rs.	Rs.
Deficit.	C	27,65,01,700	9,16,28,000	17,25,35,000	...
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—					
Construction of State Railways	,,	22,96,38,935	30,00,00,000	20,16,05,000	38,63,95,000
Capital outlay on Indian Postal and Telegraph Department	,,	81,61,617	1,45,00,000	1,10,36,000	94,30,000
Construction of Irrigation Works	,,	1,18,180	2,69,000	2,00,000	22,000
Initial expenditure on new Capital at Delhi	,,	1,35,27,418	2,00,00,000	1,91,50,000	1,97,00,000
Payments for discharge of Debentures (net)	,,	7,85,276	3,60,49,000	60,00,000	4,51,26,000
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	25,22,31,426	37,08,18,000	23,79,91,000	46,06,73,000
Debt, Deposits and Advances.					
Permanent Debt (net discharged)	,,	...	...	...	...
Floating Debt (net discharged)	,,	...	29,94,46,000	41,15,00,000	5,50,00,000
Deposits and Advances (net)	,,	...	...	...	...
Loans and Advances by Central Government (net Advances)	,,	1,47,235	...	...	...
Loans between Central and Provincial Governments (net Advances)	,,	6,38,28,435	5,50,00,000	11,43,11,000	13,46,77,000
Remittances (net)	,,	...	...	...	80,15,000
Secretary of State's Bills paid.	,,	...	...	2,57,00,000	..
Balances of Provincial Governments (net)	,,	3,53,06,691	4,35,44,000	...	1,20,12,000
TOTAL DEBT, DEPOSITS AND ADVANCES	...	9,92,76,361	39,79,90,000	55,15,11,000	20,97,04,000
TOTAL DISBURSEMENTS	...	62,80,09,487	86,04,36,000	96,20,37,000	67,03,77,000
Closing Balance—India	...	25,66,13,170	13,63,34,901	23,89,58,170	14,76,21,170
England	...	8,99,53,817	4,24,63,319	7,41,81,817	4,50,30,817
TOTAL	...	97,45,76,474	1,03,92,34,220	1,27,51,76,987	86,30,28,987

A. C. McWATTERS,
Controller of the Currency.

E. M. COOK,
Secretary to the Government of India.

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A.—Statement of the Revenue of the

Heads of Revenue.	Accounts, 1921-22. India.	England.*	Exchange.	Total.	Item Number.
Principal Heads of Revenue—	Rs.	Rs.	Rs.	Rs.	
I.—Customs	34,40,98,381	...	...	34,40,98,381	1
II.—Taxes on Income	18,74,13,424	...	...	18,74,13,424	2
III.—Salt	6,34,37,848	...	...	6,34,37,848	3
IV.—Opium	3,07,24,798	...	...	3,07,24,798	4
V.—Land Revenue	33,18,286	...	...	33,18,286	5
VI.—Excise	53,80,399	...	...	53,80,399	6
VII.—Stamps—					
A.—Non-judicial	24,61,081	...	...	24,61,081	7
B.—Judicial					8
VIII.—Forest	19,68,643	...	...	19,68,643	9
IX.—Registration	1,70,705	...	...	1,70,705	10
X.—Tributes from Indian States	87,17,807	...	...	87,17,807	11
Total	64,76,91,372	...	...	64,76,91,372	12
Railways—					
XI.—State Railways—					
Gross Receipts	81,61,93,079	4,85,127	2,49,171	81,69,27,377	13
Deduct—Working Expenses	*65,66,78,003*	...	...	*65,66,78,003*	14
Surplus Profits paid to Companies	*1,06,40,122*	...	...	*1,06,40,122*	15
Net Receipts	14,88,74,954	4,85,127	2,49,171	14,96,09,252	16
XII.—Subsidised Companies	3,32,795	14,25,370	7,15,412	24,73,577	17
Total	14,92,07,749	19,10,497	9,64,583	15,20,82,829	18
Irrigation, etc.—					
XIII.—Works for which Capital accounts are kept	5,92,895	...	...	5,92,895	19
XIV.—Works for which no Capital accounts are kept	1,246	...	...	1,246	20
Total	5,94,141	...	...	5,94,141	21
Posts and Telegraphs—					
XV.—Gross Receipts	9,33,54,859	14,48,633	6,99,509	9,55,03,001	22
Deduct—Working Expenses	*8,95,24,346*	*2,13,655*	*1,12,222*	*8,98,50,223*	23
Net Receipts	38,30,513	12,34,978	5,87,287	56,52,778	24
Interest Receipts—					
XVI.—Interest	73,11,669	25,02,143	12,86,888	1,11,00,700	25
Carried over	80,86,35,444	56,47,618	28,38,758	81,71,21,820	

* Sterling converted into Rupees at £ 1 = Rs. 10.

Item Number.	Revised Estimate, 1922-23.			
	India.	England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
1	42,30,03,000	...	...	42,30,03,000
2	17,89,31,000	...	...	17,89,31,000
3	7,17,84,000	...	...	7,17,84,000
4	3,98,68,000	...	...	3,98,68,000
5	43,81,000	...	...	43,81,000
6	51,67,000	...	...	51,67,000
7	9,15,000	...	...	9,15,000
8	15,67,000	...	...	15,67,000
9	26,16,000	...	...	26,16,000
10	1,51,000	...	...	1,51,000
11	89,40,000	...	...	89,40,000
12	73,73,23,000	...	...	73,73,23,000
13	92,00,00,000	4,84,000	2,42,000	92,07,26,000
14	*65,83,85,000*	...	...	*65,83,85,000*
15	*68,07,000*	...	...	*68,07,000*
16	25,48,08,000	4,84,000	2,42,000	25,55,34,000
17	7,73,000	12,16,000	6,08,000	25,97,000
18	25,55,81,000	17,00,000	8,50,000	25,81,31,000
19	10,70,000	—33,000	—17,000	10,20,000 (a)
20	6,000	...	...	6,000
21	10,76,000	—33,000	—17,000	10,26,000
22	10,01,69,000	14,77,000	7,39,000	10,23,85,000
23	*9,27,33,000*	*3,96,000*	*1,98,000*	*9,33,27,000*
24	74,36,000	10,81,000	5,41,000	90,58,000
25	80,00,000	16,07,000	8,04,000	1,04,11,000
	1,00,94,16,000	43,55,000	21,78,000	1,01,59,49,000

(a) Represents net receipts after deduction of Rs. 12,14,000 on account of working expenses.

Increase (+) Decrease (—) as compared with Budget Estimate, 1922-23.	Budget Estimate, 1923-24. India.	England.	Exchange.	Item Number.
Rs.	Rs	Rs.	Rs.	
−3,11,81,000	45,09,41,000	...	...	1
−4,22,08,000	19,04,64,000	...	...	2
+31,81,000	11,75,00,000	...	...	3
+89,38,000	3,93,12,000	...	...	4
−12,000	43,94,000	...	...	5
−4,55,000	52,58,000	...	...	6
−93,000	9,66,000	...	...	7
+1,46,000	16,15,000	...	...	8
+4,48,000	34,57,000	...	...	9
−17,000	1,62,000	...	...	10
+1,35,000	86,45,000	...	...	11
−6,11,18,000	82,27,14,000	...	...	12
−7,50,00,000	95,50,00,000	4,83,000	2,41,000	13
+2,21,89,000	*63,01,50,000*	...	...	14
−8,07,000	*98,77,000*	...	...	15
−5,36,18,000	31,49,73,000	4,83,000	2,41,000	16
+6,55,000	4,76,000	9,90,000	4,95,000	17
−5,29,63,000	31,54,49,000	14,73,000	7,36,000	18
+3,02,000	11,46,000	−45,000	−22,000	19
+2,000	4,000	...	...	20
+3,04,000	11,50,000	−45,000	−22,000	21
−91,69,000	10,52,03,000	13,20,000	6,60,000	22
+6,99,000	*8,58,50,000*	*3,34,000*	*1,67,000*	23
−84,70,000	1,93,53,000	9,86,000	4,93,000	24
+19,80,000	81,74,000	1,12,81,000	56,41,000	25
−12,02,67,000	1,16,68,40,000	1,36,95,000	68,48,000	

* Sterling converted into Rupees at £1 = Rs. 10.

Central Government, in India and in England.

Item Number.	Budget Estimate, 1923-24. Total.	Increase (+) Decrease (—) as compared with Budget, 1922-23.	Increase (+) Decrease (—) as compared with Revised, 1922-23.	Heads of Revenue.
	Rs.	Rs.	Rs.	**Principal Heads of Revenue—**
1	45,09,41,000	—32,43,000	+2,79,33,000	I.—Customs.
2	19,04,64,000	—3,06,75,000	+1,15,33,000	II.—Taxes on Income.
3	11,75,00,000	+4,88,97,000	+4,57,16,000	III.—Salt.
4	3,93,12,000	+83,82,000	—5,56,000	IV.—Opium.
5	43,94,000	+1,000	+13,000	V.—Land Revenue.
6	52,58,000	—3,64,000	+91,000	VI.—Excise.
				VII.—Stamps—
7	9,66,000	—42,000	+51,000	A.—Non-judicial.
8	16,15,000	+1,94,000	+48,600	B.—Judicial.
9	34,57,000	+12,89,000	+8,41,000	VIII.—Forest.
10	1,62,000	—6,000	+11,000	IX.—Registration.
11	86,45,000	—1,60,000	—2,95,000	X.—Tributes from Indian States.
12	82,27,14,000	+2,42,73,000	+8,53,91,000	Total.
				Railways—
13	95,57,24,000 (a)	—4,00,02,000	+3,49,98,000	XI.—State Railways— Gross Receipts.
14	*63,01,50,000* (b)	+5,04,24,000	+2,82,35,000	*Deduct*—Working Expenses.
15	*98,77,000*	—38,77,000	—30,70,000	Surplus Profits paid to Companies.
16	31,56,97,000	+65,45,000	+6,01,63,000	Net Receipts.
17	19,61,000	+19,000	—6,36,000	XII.—Subsidised Companies.
18	31,76,58,000	+65,64,000	+5,95,27,000	Total.
				Irrigation, etc.—
19	10,79,000 (c)	+3,61,000	+59,000	XIII.—Works for which Capital accounts are kept.
20	4,000	...	—2,000	XIV.—Works for which no Capital accounts are kept.
21	10,83,000	+3,61,000	+57,000	Total.
				Posts and Telegraphs—
22	10,71,83,000	—43,71,000	+47,98,000	XV.—Gross Receipts.
23	*8,63,51,000* (d)	+76,75,000	+69,76,000	*Deduct*—Working Expenses.
24	2,08,32,000	+33,04,000	+1,17,74,000	Net Receipts.
				Interest Receipts—
25	2,50,96,000	+1,66,65,000	+1,46,85,000	XVI.—Interest.
	1,18,78,83,000	+5,11,67,000	+17,14,34,000	Carried over.

(a) Of this amount, Rs. 34,07,000 is non-voted and the balance of Rs. 62,67,43,000 is voted.
(b) The whole of this amount is voted.
(c) Represents net receipts after deduction of Rs. 11,14,000 on account of working expenses of which Rs. 1,49,000 is non-voted and the balance of Rs. 9,65,000 is voted.
(d) Of this amount, Rs. 18,36,000 is non-voted and the balance of Rs. 8,45,15,000 is voted.

A.—Statement of the Revenue of the Central

Heads of Revenue.	Accounts, 1921-22. India.	* England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward .	80,56,35,144	56,47,613	23,33,758	81,71,21,520	
Civil Administration—					
XVII.—Administration of Justice . .	3,33,367	...	...	3,33,367	1
XVIII.—Jails and Convict Settlements .	8,10,099	...	...	8,10,099	2
XIX.—Police . . .	15,16,019	...	...	15,16,019	3
XX.—Ports and Pilotage	21,94,410	...	...	21,94,410	4
XXI.—Education . .	1,22,888	...	...	1,22,888	5
XXII.—Medical . .	55,495	1,361	700	57,556	6
XXIII.—Public Health .	2,49,205	...	...	2,49,205	7
XXIV.—Agriculture .	5,10,958	...	...	5,10,958	8
XXV.—Industries . .	...	...	...	...	9
XXVI.—Miscellaneous Departments .	19,34,709	...	...	19,34,709	10
Total .	77,27,150	1,361	700	77,29,211	11
Currency, Mint and Exchange—					
XXVII.—Currency . .	3,60,90,284	40,69,643	20,93,075	4,22,53,002	12
XXVIII.—Mint . .	14,89,091	...	...	14,89,091	13
Total .	3,75,79,375	40,69,643	20,93,075	4,37,42,093	14
Civil Works—					
XXX.—Civil Works .	11,33,782	...	...	11,33,782	15
Miscellaneous—					
XXXIII.—Receipts in aid of Superannuation . .	21,85,545	3,88,518	1,99,820	27,73,883	16
XXXIV.—Stationery and Printing . .	8,58,925	12,024	6,184	8,77,133	17
XXXV.—Miscellaneous .	5,87,31,804	62,56,334	32,17,721	6,82,05,859	18
Total .	6,17,76,274	66,56,876	34,23,725	7,18,56,875	19
Carried over .	91,68,52,025	1,63,75,498	83,56,258	94,15,83,781	

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1922-23.			
	India.	England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
	1,00,94,16,000	43,55,000	21,78,000	1,01,59,49,000
1	3,59,000	...	...	3,59,000
2	8,24,000	...	...	8,24,000
3	1,63,000	...	...	1,63,000
4	21,78,000	...	...	21,78,000
5	1,27,000	...	...	1,27,000
6	51,000	1,000	...	52,000
7	1,25,000	...	...	1,25,000
8	4,79,000	...	...	4,79,000
9	2,000	...	...	2,000
10	13,11,000	...	...	13,11,000
11	56,19,000	1,000	...	56,20,000
12	3,14,27,000	14,57,000	7,29,000	3,36,13,000
13	16,96,000	1,000	...	16,97,000
14	3,31,23,000	14,58,000	7,29,000	3,53,10,000
15	11,25,000	...	...	11,25,000
16	19,62,000	3,68,000	1,84,000	25,14,000
17	15,25,000	6,000	3,[illegible]00	15,34,000
18	8,01,000	12,75,000	6,38,000	27,14,000
19	42,88,000	16,49,000	8,25,000	67,62,000
	1,05,35,71,000	74,63,000	37,32,000	1,06,47,66,000

Increase (+) Decrease (—) as compared with Budget Estimate, 1922-23.	Budget Estimate, 1923-24.			Item Number.
	India.	*England.	Exchange.	
Rs.	Rs.	Rs.	Rs.	
—12,02,67,000	1,16,68,40,000	1,36,95,000	68,48,000	
+10,000	3,84,000	...	...	1
—2,87,000	9,09,000	...	...	2
—12,00,000	1,64,000	...	...	3
—2,43,000	24,51,000	...	...	4
+10,000	1,33,000	...	...	5
+2,000	1,07,000	...	...	6
—1,82,000	1,22,000	...	..	7
—2,01,000	5,01,000	...	...	8
—1,98,000	...	...	...	9
—7,40,000	14,37,000	...	...	10
—30,29,000	62,08,000	...	...	11
+33,00,000	2,59,40,000	3,30,000	1,65,000	12
—2,21,000	4,90,000	1,000	...	13
+30,79,000	2,64,30,000	3,31,000	1,65,000	14
+33,000	10,69,000	...	...	15
+2,13,000	19,95,000	3,51,000	1,76,000	16
—2,07,000	11,67,000	7,000	3,000	17
+1,45,000	3,64,000	5,14,000	2,57,000	18
+1,51,000	35,26,000	8,72,000	4,36,000	19
—12,00,33,000	1,20,40,73,000	1,48,98,000	74,49,000	

*Sterling converted into Rupees at £1=Rs. 10.

Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1923-24. Total.	Increase (+) Decrease (−) as compared with Budget, 1922-23.	Increase (+) Decrease (−) as compared with Revised, 1922-23.	Heads of Revenue.
	Rs.	Rs.	Rs.	
	1,18,73,83,000	+5,11,67,000	+17,14,35,000	Brought forward.
				Civil Administration—
1	3,85,000	+35,000	+25,000	XVII.—Administration of Justice.
2	9,09,000	−2,62,000	+85,000	XVIII.—Jails and Convict Settlements.
3	1,64,000	−11,99,000	+1,000	XIX.—Police.
4	24,51,000	+30,000	+2,73,000	XX.—Ports and Pilotage.
5	1,33,000	+16,000	+6,000	XXI.—Education.
6	1,07,000	+57,000	+55,000	XXII.—Medical.
7	1,22,000	−1,85,000	−3,000	XXIII.—Public Health.
8	5,01,000	−1,79,000	+22,000	XXIV.—Agriculture.
9	...	−2,00,000	−2,000	XXV.—Industries.
10	14,37,000	−6,14,000	+1,26,000	XXVI.—Miscellaneous Departments.
11	62,08,000	−21,41,000	+5,88,000	Total.
				Currency, Mint and Exchange—
12	2,64,35,000	−38,76,000	−71,78,000	XXVII.—Currency.
13	4,91,000	−14,27,000	−12,06,000	XXVIII.—Mint.
14	2,69,26,000	−53,05,000	−83,84,000	Total.
				Civil Works—
15	10,69,000	−23,000	−56,000	XXX.—Civil Works.
				Miscellaneous—
16	25,22,000	+2,21,000	+8,000	XXXIII.—Receipts in aid of Superannuation.
17	11,77,000	−5,64,000	−3,57,000	XXXIV.—Stationery and Printing.
18	11,35,000	−14,34,000	−15,79,000	XXXV.—Miscellaneous.
19	48,34,000	−17,77,000	−19,28,000	Total.
	1,22,64,20,000	+4,16,21,000	+16,16,54,000	Carried over.

A.—Statement of the Revenue of the Central

Heads of Revenue.	Accounts, 1921-22. India.	England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward	91,68,52,025	1,63,75,498	83,56,258	94,15,83,781	
Military Receipts—					
XXXVI.—Army—					
Effective	3,62,43,164	1,04,37,770	1,19,50,280	7,24,22,501	20
Non-effective	9,93,678	1,27,97,609			21
	3,72,36,842	2,32,35,379	1,19,50,280	7,24,22,501	22
XXXVII.—Marine	53,17,334	5,33,787	2,74,534	61,25,655	23
XXXVIII.—Military Works	21,45,676	...	...	21,45,676	24
Total	4,46,99,852	2,37,69,166	1,22,24,814	8,06,93,832	25
Contributions and Assignments to the Central Government by Provincial Governments—					
XXXIX.—Contributions and Assignments to the Central Government by Provincial Governments	12,97,80,933	...	...	12,97,80,933	26
XL.—Miscellaneous adjustments between the Central and Provincial Governments	91,771	...	...	91,771	27
Total	12,98,72,704	...	...	12,98,72,704	28
TOTAL REVENUE	1,09,14,24,581	4,01,44,664	2,05,81,072	1,15,21,50,317	29

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1922-23.			
	India.	England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
	1,05,35,71,000	74,63,000	37,32,000	1,06,47,66,000
20	2,90,33,000	69,50,000	34,75,000	3,94,58,000
21	9,01,000	15,45,000	7,72,000	32,18,000
22	2,99,34,000	84,95,000	42,47,000	4,26,76,000
23	35,85,000	...	...	35,85,000
24	38,40,000	...	...	38,40,000
25	3,73,59,000	84,95,000	42,47,000	5,01,01,000
26	9,20,00,000	...	...	9,20,00,000
27	1,50,000	...	...	1,50,000
28	9,21,50,000	...	...	9,21,50,000
29	1,18,30,80,000	1,59,58,000	79,79,000	1,20,70,17,000

Increase (+) Decrease (−) as compared with Budget Estimate, 1922-23.	Budget Estimate, 1923-24			Item Number.
	India.	*England.	Exchange.	
Rs.	Rs.	Rs.	Rs.	
−12,00,33,000	1,20,40,73,000	1,48,98,000	74,49,000	
−99,58,000	1,97,64,000	27,83,000	13,91,000	20
+7,73,000	9,98,000	11,95,000	5,98,000	21
−91,85,000	2,07,62,000	39,78,000	19,89,000	22
+15,62,000	21,29,000	...	...	23
+23,10,000	16,29,000	...	...	24
−53,13,000	2,45,20,000	39,78,000	19,89,000	25
	9,20,00,000	...	...	26
+85,000	1,36,000	...	...	27
+85,000	9,21,36,000	...	...	28
−12,52,61,000	1,32,07,29,000	1,88,76,000	94,38,000	29

*Sterling converted into Rupees at £1=Rs. 10.

Government, in India and in England—*concld.*

Item Number.	Budget Estimate, 1923-24. Total.	Increase (+) Decrease (−) as compared with Budget, 1922-23.	Increase (+) Decrease (−) as compared with Revised, 1922-23.	Heads of Revenue.
	Rs.	Rs.	Rs.	
	1,22,64,20,000	+4,16,21,000	+16,16,54,000	Brought forward.
				Military Receipts—
				XXXVI.—Army—
20	2,39,28,000	−2,54,78,000	−1,55,20,000	Effective.
21	27,91,000	+3,46,000	−4,27,000	Non-effective.
22	2,67,29,000	−2,51,32,000	−1,59,47,000	
23	21,20,000	+1,06,000	−14,56,000	XXXVII.—Marine.
24	16,20,000	+99,000	−22,11,000	XXXVIII.—Military Works.
25	3,04,87,000	−2,49,27,000	−1,96,14,000	Total.
				Contributions and Assignments to the Central Government by Provincial Governments—
26	9,20,00,000	...	...	XXXIX.—Contributions and Assignments to the Central Government by Provincial Governments.
27	1,36,000	+71,000	+14,000	XL.—Miscellaneous adjustments between the Central and Provincial Governments.
28	9,21,36,000	+71,000	−14,000	Total.
29	1,34,90,43,000	+1,67,65,000	+14,20,26,000	TOTAL REVENUE.

B.—Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1921-22. India.	England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenues—					
1.—Customs	64,49,533	91,196	46,903	65,87,632	1
2.—Taxes on Income	22,26,823	15,947	8,202	22,50,972	2
3.—Salt	1,55,36,588	74,296	38,212	1,56,49,096	3
4.—Opium	1,79,25,207	52,605	27,055	1,80,04,867	4
5.—Land Revenue	14,48,007	12,887	6,628	14,67,522	5
6.—Excise	2,53,939	1,701	875	2,56,515	6
7.—Stamps—					
A.—Non-judicial	} 36,57,439	59,859	30,786	37,48,084	7
B.—Judicial					8
8.—Forests	38,58,586	5,56,714	2,86,326	47,01,626	9
9.—Registration	45,885	...	...	45,885	10
Total	5,14,02,007	8,65,205	4,44,987	5,27,12,199	11
Railway Revenue Account—					
10.—State Railways :—					
Interest on Debt	9,22,00,832	4,24,61,280	2,16,85,936	15,63,48,048	12
Interest on Capital contributed by Companies	3,49,068	2,17,07,853	1,14,60,434	3,35,17,355	13
Annuities in purchase of Railways	...	3,35,72,931	1,72,10,797	5,07,83,728	14
Sinking Funds	...	28,74,409	14,61,021	43,35,430	15
11.—Subsidised Companies	7,19,922	...	...	7,19,922	16
12.—Miscellaneous Railway Expenditure	—52,46,439	16,81,907	8,42,621	—27,21,911	17
Total	8,80,23,383	10,22,98,380	5,26,60,809	24,29,82,572	18
Irrigation, etc., Revenue Account—					
14.—Works for which Capital accounts are kept—					
Interest on Debt	12,18,481	...	...	12,18,481	19
15.—Other Revenue Expenditure	1,18,381	24,718	12,717	1,55,816	20
Total	13,36,862	24,718	12,717	13,74,297	21
Carried over	14,07,62,252	10,31,88,303	5,31,18,513	29,70,69,068	

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1922-23.				
	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1922-23.
	Rs.	Rs.	Rs.	Rs.	Rs.
1	69,54,000	97,000	48,000	70,99,000	+2,84,000
2	45,17,000	47,000	24,000	45,88,000	—80,000
3	1,59,77,000	65,000	32,000	1,60,74,000	—12,55,000
4	1,87,91,000	51,000	26,000	1,88,68,000	+2,47,000
5	13,31,000	31,000	15,000	13,77,000	—1,77,000
6	2,71,000	21,000	11,000	3,03,000	+19,000
7	—28,81,000	20,00,000	10,00,000	1,19,000	—7,57,000
8	1,44,000	...	...	1,44,000	—1,66,000
9	35,57,000	6,00,000	3,00,000	44,57,000	—3,70,000
10	44,000	...	...	44,000	—4,000
11	4,87,05,000	29,12,000	14,56,000	5,30,73,000	—22,59,000
12	10,58,98,000	4,25,23,000	2,12,62,000	16,96,83,000	+27,09,000
13	4,05,000	2,18,66,000	1,09,33,000	3,32,04,000	—4,44,000
14	...	3,35,75,000	1,67,87,000	5,03,62,000	...
15	...	30,74,000	15,37,000	46,11,000	+29,000
16	10,80,000	...	...	10,80,000	—9,03,000
17	10,10,000	16,27,000	8,14,000	34,51,000	+11,47,000
18	10,83,93,000	10,26,65,000	5,13,33,000	26,23,91,000	+25,38,000
19	10,76,000	...	...	10,76,000	+1,25,000
20	1,14,000	...	...	1,14,000	—19,000
21	11,90,000	...	...	11,90,000	+1,06,000
	15,82.88,000	10,55,77,000	5,27,89,000	31,66,54,000	+3,85,000

Budget Estimate, 1923-24.				Item Number.
India.	* England.	Exchange.	Total.	
Rs.	Rs.	Rs.	Rs.	
71,15,000	90,000	45,000	72,50,000	1
62,87,000	61,000	31,000	63,79,000	2
1,53,66,000	56,000	28,000	1,54,50,000	3
1,87,42,000	59,000	30,000	1,88,31,000	4
11,35,000	21,000	10,000	11,66,000	5
2,50,000	14,000	7,000	2,71,000	6
—43,70,000	27,00,000	13,50,000	—3,20,000	7
43,000	...	...	43,000	8
39,46,000	4,43,000	2,21,000	46,10,000	9
42,000	...	...	42,000	10
4,85,56,000	34,44,000	17,22,000	5,37,22,000	11
12,16,05,000	4,41,23,000	2,20,62,000	18,77,90,000	12
3,69,000	2,12,41,000	1,06,20,000	3,22,30,000	13
...	3,35,75,000	1,67,87,000	5,03,62,000	14
...	32,73,000	16,37,000	49,10,000	15
25,90,000	...	...	25,90,000	16
—11,26,000	15,84,000	7,92,000	12,50,000	17
12,34,38,000	10,37,96,000	5,18,98,000	27,91,32,000	18
10,88,000	...	...	10,88,000	19
1,16,000	...	...	1,16,000	20
12,04,000	...	...	12,04,000	21
17,31,98,000	10,72,40,000	5,36,20,000	33,46,58,000	

* Sterling converted into Rupees at £1=Rs. 10.

of the Central Government, in India and in England.

Item Number.	Budget Estimate, 1923-24. Increase (+) Decrease (—) as compared with Budget, 1922-23.	Increase (+) Decrease (—) as compared with Revised, 1922-23.	Distribution of Total between Voted	Non-voted.	Heads of Expenditure.
	Rs.	Rs.	Rs.	Rs.	**Direct Demands on the Revenues—**
1	+4,35,000	+1,51,000	62,53,000	9,07,000	1.—Customs.
2	+17,11,000	+17,91,000	60,07,000	3,72,000	2.—Taxes on Income.
3	−18,79,000	−6,24,000	1,14,13,000	40,37,000	3.—Salt.
4	+2,10,000	−37,000	1,56,76,000	1,55,000	4.—Opium.
5	−3,88,000	−2,11,000	10,59,000	1,07,000	5.—Land Revenue.
6	−13,000	−32,000	1,49,000	1,22,000	6.—Excise.
7	−11,96,000	−4,39,000	=2,08,000	21,000	7.—Stamps— (A.—Non-judicial.
8	−2,67,000	−1,01,000			B.—Judicial.
9	−2,17,000	+1,53,000	40,17,000	5,93,000	8.—Forests.
10	−6,000	−2,000	38,000	4,000	9.—Registration.
11	−16,10,000	+6,49,000	4,73,14,000	64,08,000	Total
					Railway Revenue Account—
12	+2,08,16,000	+1,81,07,000	...	18,77,90,000	10.—State Railways— Interest on Debt.
13	−14,18,000	−9,74,000	...	3,22,30,000	Interest on Capital contributed by Companies.
14	...	...	...	5,03,62,000	Annuities in purchase of Railways.
15	+3,28,000	+2,99,000	...	49,10,000	Sinking Funds.
16	+6,07,000	+15,10,000	25,90,000	...	11.—Subsidised Companies.
17	−10,54,000	−22,01,000	5,69,000	6,81,000	12.—Miscellaneous Railway Expenditure.
18	+1,92,79,000	+1,67,41,000	31,59,000	27,59,73,000	Total
					Irrigation, etc., Revenue Accounts—
					14.—Works for which Capital accounts are kept—
19	+1,37,000	+12,000	...	10,88,000	Interest on Debt.
20	−17,000	+2,000	1,16,000	...	15.—Other Revenue Expenditure.
21	+1,20,000	+14,000	1,16,000	10,88,000	Total
	+1,77,89,000	+1,74,04,000	5,05,89,000	28,34,69,000	Carried over

B.—Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1921-22. India.	England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward	14,07,62,252	10,31,88,303	5,31,18,513	29,70,69,068	
Irrigation, etc., Capital Account (charged to Revenue)—					
16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues	74,157	...	...	74,157	22
Posts and Telegraphs Revenue Account—					
17.—Posts and Telegraphs—Interest on Debt	56,81,015	...	...	56,81,015	23
Miscellaneous Expenditure	...	...	...	...	24
Total	56,81,015	...	...	56,81,015	25
Posts and Telegraphs Capital Account (charged to Revenue)—					
18.—Capital outlay on Posts and Telegraphs—Indo-European Telegraph Department	—42,92,577	1,00,72,358	51,39,701	1,09,19,482	26
Debt Services—					
19.—Interest on Ordinary Debt	19,05,17,484	7,23,92,711	3,70,80,095	29,99,90,290	27
Deduct—Amount chargeable to—					
Railways	*9,22,00,832*	*4,24,61,283*	*2,16,85,936*	*15,63,48,048*	28
Irrigation	*12,18,481*	...	...	*12,18,481*	29
Posts and Telegraphs	*56,81,015*	...	...	*56,81,015*	30
Provincial Governments	*2,58,41,800*	...	...	*2,58,41,800*	31
Remainder chargeable to Ordinary Debt	6,55,75,356	2,99,31,431	1,53,94,159	11,09,00,946	32
20.—Interest on other Obligations	2,60,97,497	...	...	2,60,97,497	33
21.—Sinking Funds	1,54,00,000	50,00,000	25,71,571	2,29,71,571	34
Total	10,70,72,853	3,49,31,431	1,79,65,730	15,99,70,014	35
Carried over	24,92,97,700	14,81,92,092	7,62,23,944	47,37,13,736	36

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1922-23.				
	India.	* England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1922-23.
	Rs.	Rs.	Rs.	Rs.	Rs.
	15,82,88,000	10,55,77,000	5,27,89,000	31,66,54,000	+3,85,000
22	35,000	...	...	35,000	...
23	62,05,000	...	...	62,05,000	—3,95,000
24	—54,13,000	41,00,000	20,50,000	(a)7,37,000	—24,24,000
25	7,92,000	41,00,000	20,50,000	69,42,000	—28,19,000
26	—5,02,000	1,35,000	67,000	—3,00,000	—2,71,000
27	17,44,00,000	8,66,11,000	4,33,06,000	30,43,17,000	+2,18,86,000
28	*10,58,98,000*	*4,25,23,000*	*2,12,62,000*	*16,96,83,000*	—2,10,22,000
29	*10,76,000*	...	...	*10,76,000*	—1,25,000
30	*62,05,000*	...	...	*62,05,000*	+3,95,000
31	*3,10,54,000*	...	...	*3,10,54,000*	—10,81,000
32	3,01,67,000	4,40,88,000	2,20,44,000	9,62,99,000	—20,47,000
33	3,15,01,000	60,000	30,000	3,15,91,000	—7,72,000
34	1,54,00,000	50,00,000	25,00,000	2,29,00,000	+25,00,000
35	7,70,68,000	4,91,48,000	2,45,74,000	15,07,90,000	—12,19,000
36	23,56,81,000	15,89,60,000	7,94,80,000	47,41,21,000	—39,24,000

(a) The corresponding actuals for 1921-22, are included under "18—Capital Outlay on Posts and Telegraphs."

Budget Estimate, 1923-24.				Item Number.
India.	* England.	Exchange.	Total.	
Rs.	Rs.	Rs.	Rs.	
17,31,98,000	10,72,40,000	5,36,20,000	33,40,58,000	
2,15,000	1,000	...	2,16,000	22
68,28,000	...	...	68,28,000	23
−49,24,000	25,00,000	12,50,000	(a)−11,74,000	24
19,04,000	25,00,000	12,50,000	56,54,000	25
−6,56,000	2,25,000	1,12,000	−3,19,000	26
20,29,30,000	10,04,95,000	5,02,48,000	35,36,73,000	27
12,16,05,000	*4,41,23,000*	*2,20,62,000*	*18,77,90,000*	28
10,88,000	...	...	*10,88,000*	29
68,28,000	...	...	*68,28,000*	30
4,00,15,000	...	...	*4,00,15,000*	31
3,33,94,000	5,63,72,000	2,81,86,000	11,79,52,000	32
3,21,07,000	36,000	18,000	3,21,61,000	33
1,54,00,000	44,29,000	22,15,000	2,20,44,000	34
8,09,01,000	6,08,37,000	3,04,19,000	17,21,57,000	35
25,55,62,000	17,08,03,000	8,54,01,000	51,17,66,000	36

* Sterling converted into Rupees at £1=Rs. 10.

(a) The corresponding actuals for 1921-22 are included under "18—Capital Outlay on Posts and Telegraphs."

of the Central Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1923-24.				Heads of Expenditure.
	Increase (+) Decrease (—) as compared with Budget, 1922-23.	Increase (+) Decrease (—) as compared with Revised, 1922-23.	Distribution of Total between		
			Voted.	Non-voted.	
	Rs.	Rs.	Rs.	Rs.	
	+1,77,89,000	+1,74,04,000	5,05,80,000	28,34,69,000	Brought forward.
					Irrigation, etc., Capital Account (charged to Revenue)—
22	+1,81,000	+1,81,000	2,16,000	...	16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues.
					Posts and Telegraphs Revenue Account—
23	+2,28,000	+6,23,000	...	68,28,000	17.—Posts and Telegraphs—Interest on Debt.
24	−43,35,000	−19,11,000	−11,74,000	...	Miscellaneous Expenditure.
25	−41,07,000	−12,88,000	−11,74,000	68,28,000	Total
					Posts and Telegraphs Capital Account (charged to Revenue)—
26	−2,90,000	−19,000	−3,19,000	...	18.—Capital outlay on Posts and Telegraphs—Indo-European Telegraph Department.
					Debt Services—
27	+7,12,42,000	+4,93,56,000	...	...	19.—Interest on Ordinary Debt.
					Deduct—Amount chargeable to—
28	−4,21,29,000	−1,81,07,000	...	...	Railways.
29	−1,37,000	−12,000	...	...	Irrigation.
30	−2,28,000	−6,23,000	...	...	Posts and Telegraphs.
31	−1,00,42,000	−89,61,000	...	...	Provincial Governments.
32	+1,87,06,000	+2,16,53,000	22,000	11,79,30,000	Remainder chargeable to Ordinary Debt.
33	−2,02,000	+5,70,000	3,21,07,000	54,000	20.—Interest on other Obligations.
34	+16,44,000	−8,56,000	...	2,20,44,000	21.—Sinking Funds.
35	+2,01,48,000	+2,13,67,000	3,21,29,000	14,00,28,000	Total
36	+3,37,21,000	+3,76,45,000	8,14,41,000	43,03,25,000	Carried over

B.—Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1921-22. India.	England.	Exchange.	Total.	Item Number.
Brought forward	Rs. 24,92,97,700	Rs. 14,81,92,092	Rs. 7,62,23,944	Rs. 47,37,13,736	
Civil Administration—					
22.—General Administration—					
A.—Heads of Provinces (including Governor General) and Executive Councils					1
B.—Legislative Bodies					2
C.—Secretariat and headquarters establishment	1,28,48,917	...	..	1,28,48,917	3
D.—Commissioners					4
E.—District Administrations					5
F.—Home Administration, etc.	...	42,33,257	21,77,224	64,10,481	6
23.—Audit	66,33,288	2,72,814	1,40,327	70,46,459	7
24.—Administration of Justice	9,81,071	34,743	17,869	10,33,683	8
25.—Jails and Convict Settlements	44,97,869	11,959	6,151	45,15,979	9
26.—Police	86,14,446	93,138	47,902	87,55,486	10
27.—Ports and Pilotage	21,64,743	1,55,537	79,995	24,00,275	11
28.—Ecclesiastical	26,50,022	2,64,440	1,36,005	30,50,467	12
29.—Political	2,13,20,046	8,20,122	4,21,801	2,25,61,969	13
30.—Scientific Departments	1,05,93,741	3,91,250	2,01,226	1,11,86,217	14
31.—Education	30,33,956	72,312	37,191	31,43,489	15
32.—Medical	27,48,814	2,08,411	1,07,189	30,64,414	16
33.—Public Health	15,82,030	38,558	19,846	16,40,464	17
34.—Agriculture	19,37,228	90,065	46,322	20,73,615	18
35.—Industries	2,47,137	68,545	35,254	1,27,936	19
36.—Aviation	87,572	299	154	88,025	20
37.—Miscellaneous Departments	38,73,043	1,71,119	88,009	41,32,171	21
Total	8,35,90,953	69,26,629	35,62,465	9,40,80,047	22
Currency, Mint and Exchange—					
38.—Currency	27,34,437	41,54,075	21,36,500	90,75,012	23
39.—Mint	15,94,405	52,099	26,795	16,73,299	24
40.—Exchange	...	...	...	...	25
Total	43,78,342	42,06,174	21,63,295	1,07,48,311	26
Carried over	33,72,67,495	15,93,24,895	8,19,49,704	57,85,42,094	

* Sterling converted into Rupees at £1=Rs. 10.

REVISED ESTIMATE, 1922-23

Item Number.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (—) as compared with Budget, 1922-23.
	Rs. 23,56,81,000	Rs. 15,89,60,000	Rs. 7,94,80,000	Rs. 47,41,21,000	Rs. —39,24,000
1	25,61,000	...	...	25,61,000	+5,12,000
2	8,28,000	...	...	8,28,000	—23,000
3	79,21,000	...	...	79,21,000	—1,10,000
4	...	...	...	...	
5	17,46,000	...	...	17,46,000	+1,32,000
6	...	52,45,000	26,23,000	78,68,000	+31,77,000
7	72,41,000	3,27,000	1,63,000	77,31,000	—4,45,000
8	9,84,000	87,000	44,000	11,15,000	+1,13,000
9	44,65,000	35,000	17,000	45,17,000	+93,000
10	86,52,000	1,75,000	88,000	89,15,000	+7,89,000
11	20,74,000	2,35,000	1,17,000	24,26,000	—82,000
12	26,84,000	2,90,000	1,45,000	31,19,000	—1,23,000
13	2,80,73,000	6,51,000	3,26,000	2,90,50,000	+1,51,000
14	85,51,000	6,55,000	3,28,000	95,34,000	—12,84,000
15	30,48,000	55,000	28,000	31,31,000	—1,19,000
16	24,79,000	4,20,000	2,10,000	31,09,000	+11,000
17	15,98,000	60,000	30,000	16,88,000	+88,000
18	19,72,000	81,000	40,000	20,93,000	—1,76,000
19	15,000	28,000	14,000	57,000	—87,000
20	40,000	2,000	1,000	43,000	—5,000
21	20,79,000	3,83,000	1,91,000	26,53,000	+85,000
22	8,70,11,000	87,29,000	43,65,000	10,01,05,000	+26,99,000
23	29,02,000	40,90,000	20,45,000	90,37,000	+26,07,000
24	17,85,000	71,000	35,000	18,91,000	—3,01,000
25	...	...	50,00,000	50,00,000	—9,45,00,000
26	46,87,000	41,61,000	70,80,000	1,59,28,000	—9,22,44,000
	32,78,79,000	17,18,50,000	9,09,25,000	79,01,54,000	—9,34,53,000

BUDGET ESTIMATE, 1923-24.				Item Number.
India.	* England.	Exchange.	TOTAL.	
Rs. 25,55,62,000	Rs. 17,08,03,000	Rs. 8,54,01,000	Rs. 51,17,66,000	
24,35,000	...	...	24,35,000	1
9,08,000	...	...	9,08,000	2
65,45,000	...	...	65,45,000	3
14,000	...	...	14,000	4
16,69,000	...	...	16,69,000	5
...	27,59,000	13,80,000	41,39,000	6
75,62,000	2,52,000	1,26,000	79,40,000	7
10,49,000	82,000	41,000	11,72,000	8
39,69,000	27,000	13,000	40,09,000	9
84,97,000	1,22,000	61,000	86,80,000	10
21,50,000	2,41,000	1,21,000	25,12,000	11
28,59,000	2,83,000	1,41,000	32,83,000	12
3,07,83,000	4,72,000	2,36,000	3,14,91,000	13
80,32,000	5,74,000	2,87,000	88,93,000	14
31,05,000	74,000	37,000	32,16,000	15
24,03,000	2,51,000	1,26,000	27,80,000	16
15,92,000	52,000	26,000	16,70,000	17
19,55,000	84,000	42,000	20,81,000	18
45,000	21,000	10,000	76,000	19
24,000	...	...	24,000	20
17,19,000	17,15,000	8,58,000	42,92,000	21
8,73,15,000	70,09,000	35,05,000	9,78,29,000	22
30,39,000	43,00,000	21,50,000	94,89,000	23
17,03,000	79,000	40,000	18,22,000	24
...	...	...	...	25
47,42,000	43,79,000	21,90,000	1,13,11,000	26
34,76,19,000	18,21,91,000	9,10,96,000	62,09,06,000	

* Sterling converted into Rupees at £1=Rs. 10.

of the Central Government, in India and in England—*contd.*

Item Number.	Increase (+) Decrease (—) as compared with Budget, 1922-23.	Increase (+) Decrease (—) as compared with Revised, 1922-23.	Distribution of Total between		Heads of Expenditure.
			Voted.	Non-voted.	
	Budget Estimate, 1923-24.				
	Rs.	Rs.	Rs.	Rs.	
	+3,37,21,000	+3,76,45,000	8,11,41,000	43,03,25,000	Brought forward.
					Civil Administration—
					22.—General Administration—
					A.—Heads of Provinces (including Governor General and Executive Councils.
1	+3,86,000	—1,26,000			
2	+58,000	+80,000			B.—Legislative Bodies.
					C.—Secretariat and headquarters establishment.
3	—14,86,000	—13,76,000	95,48,000	61,62,000	
4	+14,000	+14,000			D.—Commissioners.
					E.—District Administration.
5	+55,000	—77,000			F.—Home Administration, etc.
6	—5,52,000	—37,29,000			
7	—2,36,000	+2,09,000	70,72,000	8,68,000	23.—Audit.
8	+1,70,000	+57,000	7,43,000	4,29,000	24.—Administration of Justice.
9	—4,14,000	—5,08,000	37,93,000	2,16,000	25.—Jails and Convict Settlements.
10	+5,54,000	—2,35,000	76,88,000	9,92,000	26.—Police.
11	+4,000	+86,000	11,29,000	13,83,000	27.—Ports and Pilotage.
12	+41,000	+1,64,000	...	32,83,000	28.—Ecclesiastical.
13	+25,92,000	+22,41,000	...	3,14,91,000	29.—Political.
14	—19,25,000	—6,41,000	68,14,000	20,79,000	30.—Scientific Departments.
15	—34,000	—85,000	25,34,000	6,82,000	31.—Education.
16	—3,18,000	—3,29,000	18,05,000	9,72,000	32.—Medical.
17	+70,000	—18,000	5,89,000	10,81,000	33.—Public Health.
18	—1,88,000	—12,000	15,81,000	5,00,000	34.—Agriculture.
19	—68,000	+19,000	55,000	21,000	35.—Industries.
20	—24,000	—19,000	19,000	5,000	36.—Aviation.
21	+17,24,000	+16,39,000	39,99,000	2,93,000	37.—Miscellaneous Departments.
22	+4,23,000	—22,76,000	4,73,72,000	5,04,57,000	Total
					Currency, Mint and Exchange—
23	+30,59,000	+4,52,000	92,89,000	2,00,000	38.—Currency.
24	—3,70,000	—69,000	16,30,000	1,92,000	39.—Mint.
25	—9,95,50,000	—50,00,000	...	...	40.—Exchange.
26	—9,68,61,000	—46,17,000	1,09,19,000	3,92,000	Total
	—6,27,17,000	+3,07,52,000	13,97,32,000	48,11,74,000	Carried over.

B.—Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1921-22. India.	* England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward .	33,72,67,495	15,93,24,895	8,19,49,704	57,85,42,094	
Civil Works—					
41.—Civil Works . .	1,51,30,197	1,91,508	98,495	1,54,20,200	27
Miscellaneous—					
43.—Famine Relief and Insurance—					
A.—Famine Relief .	2,91,738	...	...	2,91,738	28
44.—Territorial and Political Pensions . . .	28,03,614	1,15,529	59,418	29,78,561	29
45.—Superannuation Allowances and Pensions .	29,50,461	2,07,76,801	1,06,85,803	3,44,13,065	30
46.—Stationery and Printing	57,05,101	14,84,975	7,63,744	79,53,820	31
47.—Miscellaneous . .	69,07,930	22,09,759	11,36,510	1,02,54,199	32
Total .	1,86,58,844	2,45,87,064	1,26,45,475	5,58,91,383	33
Military Services.					
48.—Army—					
Effective	49,65,16,677	8,25,25,297	5,96,05,751	70,85,71,984	34
Non-effective . . .	3,65,55,901	3,33,68,358			35
	53,30,72,578	11,58,93,655	5,96,05,751	70,85,71,984	36
49.—Marine . . .	1,10,20,093	40,65,559	20,90,974	1,71,76,626	37
50.—Military Works . .	5,12,03,112	12,19,442	6,27,176	5,30,49,730	38
Total .	59,52,95,783	12,11,78,656	6,23,23,901	77,87,98,340	39
Contributions and Assignments to the Central Government by Provincial Governments—					
52.—Miscellaneous adjustments between the Central and Provincial Governments . .	...	...	...	...	40
Total Expenditure charged to Revenue .	96,63,52,319	30,52,82,123	15,70,17,575	1,42,86,52,017	41

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1922-23.				
	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1922-23.
	Rs.	Rs.	Rs.	Rs.	Rs.
	32,73,79,000	17,18,50,000	9,09,25,000	59,01,54,000	− 9,34,69,000
27	1,48,07,000	1,29,000	65,000	1,50,01,000	—11,48,000
28	57,000	...	...	57,000	+ 30,000
29	27,90,000	1,16,000	58,000	29,64,000	—1,20,000
30	38,75,000	2,19,71,000	1,09,86,000	3,68,32,000	+ 1,21,07,000
31	39,42,000	14,92,000	7,46,000	61,80,000	—4,56,000
32	46,82,000	15,45,000	7,72,000	69,99,000	+ 8,80,000
33	1,53,46,000	2,51,24,000	1,25,62,000	5,30,32,000	+ 1,24,41,000
34	43,02,88,000	8,25,07,000	4,12,54,000	56,30,49,000	+ 2,01,49,000
35	4,16,67,000	3,45,30,000	1,72,65,000	9,34,62,000	+ 1,93,29,000
36	48,09,55,000	11,70,37,000	5,85,19,000	65,65,11,000	+ 3,94,78,000
37	89,56,000	25,94,000	12,97,000	1,28,47,000	—5,49,000
38	4,90,04,000	17,45,000	8,72,000	5,16,21,000	+ 48,36,000
39	53,89,15,000	12,13,76,000	6,06,88,000	72,09,79,000	+ 4,37,65,000
40	3,86,000	...	...	3,86,000	—59,43,000
41	89,68,33,000	31,84,79,000	16,42,40,000	1,37,95,52,000	—4,43,54,000

Budget Estimate, 1923-24.				Item Number.
India.	* England.	Exchange.	Total.	
Rs.	Rs.	Rs.	Rs.	
34,76,19,000	18,21,91,000	9,10,96,000	62,09,06,000	
1,75,19,000	96,000	48,000	1,76,63,000	27
5,000	...	...	5,000	28
28,12,000	1,16,000	58,000	29,86,000	29
40,55,000	2,04,05,000	1,02,02,000	3,46,62,000	30
31,45,000	19,03,000	9,52,000	60,00,000	31
57,89,000	13,98,000	6,99,000	78,86,000	32
1,58,06,000	2,38,22,000	1,19,11,000	5,15,39,000	33
41,56,91,000	6,15,65,000	3,07,83,000	50,80,39,000	34
3,70,12,000	3,56,30,000	1,78,15,000	9,04,57,000	35
45,27,03,000	9,71,95,000	4,85,98,000	59,84,96,000	36
59,01,000	24,90,000	12,45,000	96,36,000	37
4,15,98,000	5,05,000	2,52,000	4,23,55,000	38
50,02,02,000	10,01,90,000	5,00,95,000	65,04,87,000	39
3,62,000	...	...	3,62,000	40
88,15,98,000	30,62,99,000	15,31,50,000	1,34,09,57,000	41

* Sterling converted into Rupees at £1 = Rs. 10.

of the Central Government, in India and in England—*contd*

Item Number.	Increase (+) Decrease (—) as compared with Budget, 1922-23.	Increase (+) Decrease (—) as compared with Revised, 1922-23.	Budget Estimate, 1923-24. Distribution of Total between Voted.	Budget Estimate, 1923-24. Distribution of Total between Non-voted.	Heads of Expenditure.
	Rs.	Rs.	Rs.	Rs.	
	—6,27,17,000	+3,07,52,000	13,97,32,000	48,11,74,000	Brought forward.
					Civil Works—
27	+15,14,000	+26,62,000	1,16,37,000	60,26,000	41.—Civil Works.
					Miscellaneous—
28	—22,000	—52,000	5,000	...	43.—Famine Relief and Insurance— A.—Famine Relief.
29	—98,000	+22,000	...	29,86,000	44.—Territorial and Political Pensions.
30	+99,37,000	—21,70,000	49,37,000	2,97,25,000	45.—Superannuation Allowances and Pensions.
31	—6,36,000	—1,80,000	59,49,000	51,000	46.—Stationery and Printing.
32	+17,67,000	+8,87,000	41,05,000	37,81,000	47.—Miscellaneous.
33	+1,09,48,000	—14,98,000	1,49,96,000	3,65,43,000	Total
					Military Services—
					48.—Army—
34	—3,48,61,000	—5,50,10,000	...	50,80,39,000	Effective.
35	+1,63,24,000	—30,05,000	...	9,04,57,000	Non-effective.
36	—1,85,37,000	—5,80,15,000	...	59,84,96,000	
37	—37,60,000	—32,11,000	...	96,86,000	49.—Marine.
38	—44,30,000	—92,66,000	...	4,23,55,000	50.—Military Works.
39	—2,67,27,000	—7,04,92,000	...	65,04,87,000	Total
					Contributions and Assignments to the Central Government by Provincial Governments—
40	—59,67,000	—24,000	3,62,000	...	52. Miscellaneous adjustments between the Central and Provincial Governments.
41	—8,29,49,000	—3,85,95,000	16,67,27,000	1,17,42,30,000	Total Expenditure charged to Revenue.

C.—Statement of Receipts and Disbursements of the

RECEIPTS.	ACCOUNTS, 1921-22. India.	* England.	TOTAL.
	Rs.	Rs.	Rs.
Revenue (from Statement A)	1,09,14,24,581	4,01,44,664	1,13,15,69,245
Exchange added to Revenue	2,05,81,072	...	2,05,81,072
Total	1,11,20,05,653	4,01,44,664	1,15,21,50,317
Excess of Revenue over Expenditure charged to Revenue			—27,65,01,700
Railway Capital not charged to Revenue—			
Capital contributed by Railway Companies and Indian States towards outlay on State Railways	18,88,170	45,00,000	63,88,170
Public Debt Incurred—			
Permanent Debt—			
Sterling Debt—			
New Sterling Loan	...	...	
7 per cent. Stock	...	7,50,00,000	
5½ per cent. Stock	...	6,86,71,413	
4½ per cent. Stock	...	...	
Rupee Debt—			
New Rupee Loan	...	...	
6 per cent. Bonds, 1932	...	...	
6 per cent. Bonds, 1931	11,30,75,300	...	
6 per cent. Bonds, 1930	—7,08,500	...	
6 per cent. Bonds, 1926	37,89,74,400	...	
6 per cent. Bonds, 1927	...	...	
5½ per cent. War Bonds, 1928	14,100	...	
5½ per cent. War Bonds, 1920	—200	...	
5½ per cent. War Bonds, 1921	—2,000	...	
3½ per cent. Loans	...	...	
Total	49,13,53,100	14,36,71,413	63,50,24,513
Net			42,26,70,108
Floating Debt—			
Treasury Bills—			
Issued to Public	76,35,45,000	...	
Issued to Paper Currency Reserve	62,95,00,000	...	
Other Floating Loans	15,00,00,000	...	
Total	1,54,30,45,000	...	1,54,30,45,000
Net			6,92,60,000
Unfunded Debt -			
Post Office Cash Certificates	47,98,217	...	
Deposits of Service Funds	16,16,231	17,898	
Savings Bank Deposits	27,20,30,946	3,80,177	
Total	27,84,45,394	3,98,075	27,88,43,469
Net			4,62,46,893
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	11,44,58,945	...	
Other Funds	8,29,37,619	...	
Deposits of Branch Lines Companies	7,36,040	...	
Sinking Funds for Central Loans	1,52,00,000	...	
Other Sinking Fund Deposits	3,00,544	...	
Gold Standard Reserve	...	97,08,37,535	
Paper Currency Reserve	3,40,64,437	37,10,31,640	
Departmental and Judicial Deposits	79,79,05,846	...	
Advances	13,25,76,566	2,46,23,447	
Suspense Accounts	6,32,84,086	26,73,678	
Exchange on Remittance Accounts	11,36,82,631	...	
Miscellaneous	5,26,75,082	94,73,033	
Total	1,40,80,21,796	1,37,86,39,333	2,78,66,61,129
Net			18,71,20,018
Carried over to pages 120 and 121	4,83,47,59,113	1,56,73,53,485	

*Sterling converted into Rupees at £1 = Rs. 10.

Central Government, in India and in England.

Revised Estimate, 1922-23.			Budget Estimate, 1923-24		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,18,30,80,000	1,59,58,000	1,19,90,38,000	1,32,07,29,000	1,88,76,000	1,33,96,05,000
79,79,000	...	79,79,000	94,38,000	...	94,38,000
1,19,10,59,000	1,59,58,000	1,20,70,17,000	1,33,01,67,000	1,88,76,000	1,34,90,43,000
		—17,25,35,000			80,86,000
8,93,000	17,85,000	26,78,000	1,50,42,000	3,00,84,000	4,51,26,000
...	...		...	15,14,08,000	
...	...		...	...	
...	14,55,10,000		...	...	
...	17,00,00,000		...	...	
...	...		25,00,00,000	...	
19,48,92,000	...		...	...	
...	...		...	...	
...	...		...	...	
...	...		...	...	
27,37,83,000	...		...	...	
...	...		...	...	
...	...		...	...	
...	...		...	..	
6,86,000	...		3,00,000	...	
46,93,61,000	31,55,10,000	78,48,71,000	25,03,00,000	15,14,08,000	40,17,08,000
		66,45,36,000			33,13,56,000
45,50,00,000	...		40,50,00,000	...	
49,65,00,000	...		49,65,00,000	...	
...	...		...	...	
95,15,00,000	...	95,15,00,000	90,15,00,000	...	90,15,00,000
		0			0
78,00,000	...		1,28,00,000	...	
14,52,000	20,000		14,43,000	20,000	
24,53,39,000	1,40,000		26,50,90,000	1,20,000	
25,45,91,000	1,60,000	25,47,51,000	27,93,33,000	1,40,000	27,94,73,000
		3,14,11,000			5,01,85,000
11,88,48,000	...		11,76,08,000	...	
8,41,47,000	...		8,17,31,000	...	
15,31,000	...		23,69,000	...	
1,54,00,000	...		1,54,00,000	...	
3,13,000	...		3,25,000	...	
...	1,41,24,21,000		...	1,42,06,73,000	
2,17,90,000	24,19,80,000		...	5,84,50,000	
78,21,25,000	...		77,22,50,000	...	
19,15,95,000	1,50,09,000		17,12,65,000	53,38,000	
2,60,22,000	...		83,00,000	1,75,41,000	
16,96,05,000	...		8,70,80,000	...	
10,21,24,000	82,47,000		1,77,30,000	55,55,000	
1,51,35,00,000	1,67,76,57,000	3,19,11,57,000	1,27,40,58,000	1,50,75,57,000	2,78,16,15,000
		18,64,85,000			11,42,69,000
4,38,09,04,000	2,01,10,70,000		4,05,04,00,000	1,70,80,65,000	

C.—Statement of Receipts and Disbursements of the

Disbursements.	Accounts, 1921-22.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	96,63,52,319	30,52,82,123	1,27,16,34,442
Exchange charged as Expenditure	15,70,17,575	...	15,70,17,575
Total	1,12,33,69,894	30,52,82,123	1,42,86,52,017
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—			
Construction of State Railways	9,39,92,306	13,56,46,629	22,96,38,935
Payments for discharge of debentures	2,85,276	5,00,000	7,85,276
Construction of Irrigation Works	1,18,054	126	1,18,180
Capital outlay on Indian Postal and Telegraph Department	81,61,617	...	81,61,617
Initial expenditure on new Capital at Delhi	1,19,29,639	15,97,779	1,35,27,418
Public Debt Discharged—			
Permanent Debt—			
Rupee Debt—			
5½ p. c. War Bonds, 1920	38,09,785	...	
Do. Do. 1921	15,35,92,150	...	
Do. Do. 1922	3,56,46,575	...	
Do. Do. 1923	...	...	
5½ p. c. War Bonds, 1925	400	...	
5 p. c. War Loan, 1929-47	64,86,125	...	
5 p. c. Loan, 1945-55	1,15,13,200	...	
4 p. c. Loans	12,00,000	...	
3½ p. c. Loans	9,958	...	
3 p. c. Loans	96,200	...	
Government Stock notes	12	...	
Total	21,23,54,405	...	21,23,54,405
Net			0
Floating Debt—			
Treasury Bills—			
Issued to Public	66,05,85,000	...	
Do. Paper Currency Reserve	66,32,00,000	...	
Other Floating Loans	15,00,00,000	...	
Total	1,47,37,85,000	...	1,47,37,85,000
Net			0
Unfunded Debt—			
Post Office Cash Certificates	91,41,448	...	
Special Loans	12,206	...	
Deposits of Service Funds	15,06,242	6,727	
Savings Bank Deposits	22,19,18,329	11,624	
Total	23,25,78,225	18,351	23,25,96,576
Net			0
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	11,85,26,408	...	
Other Funds	8,55,34,553	...	
Deposits of Branch Line Companies	7,17,179	...	
Sinking Funds for Central Loans	1,36,75,346	...	
Gold Standard Reserve	10	97,08,68,609	
Paper Currency Reserve	3,35,63,836	37,10,31,640	
Departmental and Judicial Deposits	79,05,13,616	...	
Advances	15,03,37,702	2,40,47,448	
Suspense Accounts	3,02,46,896	...	
Exchange on Remittance Accounts	...	...	
Miscellaneous	3,15,935	1,01,61,933	
Total	1,22,34,31,481	1,37,61,09,630	2,59,95,41,111
Net			0
Carried over to pages 122 and 123	4,38,00,05,897	1,81,91,54,638	

* Sterling converted into Rupees at £ 1=Rs. 10.

Central Government, in India and in England.

Revised Estimate, 1922-23.			Budget Estimate, 1923-24.		
India.	* England.	Total.	India.	* England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
89,68,33,000	31,84,79,000	1,21,53,12,000	88,15,08,000	30,62,99,000	1,18,78,07,000
16,42,40,000	...	16,42,40,000	15,31,50,000	...	15,31,50,000
1,06,10,73,000	31,84,79,000	1,37,95,52,000	1,03,46,58,000	30,62,99,000	1,34,09,57,000
9,71,25,000	10,44,80,000	20,16,05,000	19,63,95,000	19,00,00,000	(a) 38,63,95,000
20,00,000	40,00,000	60,00,000	1,50,42,000	3,00,84,000	4,51,26,000
1,99,000	1,000	2,00,000	22,000	...	(b) 22,000
1,10,36,000	...	1,10,36,000	94,30,000	...	(b) 94,30,000
1,72,93,000	18,57,000	1,91,50,000	1,88,42,000	8,58,000	(c) 1,97,00,000
9,00,000	...		12,77,000	...	
40,00,000	...		32,15,000	...	
7,15,00,000	...		44,52,000	...	
8,00,000	...		1,44,59,000	...	
...	...		...	...	
54,40,000	...		1,02,35,000	...	
1,37,24,000	...		74,45,000	...	
2,31,67,000	...		2,87,19,000	...	
4,000	...		...	...	
8,00,000	...		3,50,000	...	
...	...		...	...	
12,03,35,000	...	12,03,35,000	7,01,52,000	...	7,01,52,000
		0			0
78,41,00,000	...		46,00,00,000	...	
57,89,00,000	...		49,65,00,000	...	
...	...		...	...	
1,36,30,00,000	...	1,36,30,00,000	95,65,00,000	...	95,65,00,000
		41,15,00,000			5,50,00,000
2,00,00,000	...		1,75,00,000	...	
12,000	...		12,000	...	
15,03,000	1,00,000		15,36,000	3,00,000	
20,16,45,000	80,000		20,98,90,000	50,000	
22,31,60,000	1,80,000	22,33,40,000	22,89,38,000	3,50,000	22,92,88,000
		0			0
12,14,67,000	...		12,15,73,000	...	
8,42,27,000	...		8,23,71,000	...	
16,17,000	...		23,86,000	...	
1,70,22,000	...		1,54,02,000	...	
...	1,41,24,21,000		...	1,42,06,73,000	
8,16,00,000	24,19,80,000		...	5,84,50,000	
77,95,60,000	...		77,37,77,000	...	
19,26,98,000	1,49,75,000		15,93,73,000	63,57,000	
5,02,63,000	...		15,37,000	1,75,41,000	
...	...		...	...	
...	68,42,000		...	79,66,000	
1,32,84,54,000	1,67,62,18,000	3,00,46,72,000	1,15,64,19,000	1,51,09,27,000	2,66,73,46,000
		0			0
4,22,36,75,000	2,10,52,15,000		3,68,63,98,000	2,03,85,18,000	

(a) Of this amount, Rs. 2,02,000 is non-voted and the balance of Rs. 38,61,93,000 is voted.
(b) The whole of this amount is voted.
(c) Of this amount, Rs. 3,76,000 is non-voted and the balance of Rs. 1,93,24,000 is voted.

C. Statement of Receipts and Disbursements of the

Receipts.	Accounts, 1921-22.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Brought forward from pages 116 and 117 .	4,83,47,59,113	1,56,73,53,485	
Loans and Advances by the Central Government	32,12,613	...	32,12,613
Net .			0
Loans between Central and Provincial Governments	77,18,222	...	77,18,222
Net .			0
Remittances—			
Inland Money Orders	84,87,76,638	...	
Other Local Remittances	...	...	
Other Departmental Accounts . . .	5,004	...	
Net Receipts by Civil Treasuries from—			
Railways	5,08,74,190	...	
Net Receipts from Civil Treasuries by—			
Posts and Telegraphs	5,54,90,744	...	
Marine	2,34,59,882	...	
Army and Military Works . . .	55,98,40,510	...	
Remittance Account between England and India—			
Transfers through Paper Currency Reserve	2,90,060	2,50,11,590	
Remittances from India for financing Home Treasury	...	...	
Iraq drawings	290	5,46,29,217	
Recoverable War Expenditure . .	9,03,85,430	10,95,54,084	
Other transactions	25,20,53,178	14,69,98,039	
Total .	1,88,11,75,926	33,61,92,930	2,21,73,68,856
Net .			3,24,36,065
Secretary of State's Bills drawn . . .	...	...	...
Balances of Provincial Governments . .	...	...	...
Net .			0
Total Receipts .	6,72,68,65,874	1,90,35,46,415	
Opening Balance .	13,83,56,901	(a) 7,20,98,319	
GRAND TOTAL .	6,86,52,22,775	1,97,56,44,734	

* Sterling converted into Rupees at £1=Rs. 10.

(a) Of this amount, Rs. 48,828 represents the funds of the Gold Standard Reserve.

Central Government, in India and in England—*contd.*

Revised Estimate, 1922-23.			Budget Estimate, 1923-24.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4,38,09,04,000	2,01,10,70,000		4,05,04,00,000	1,70,80,65,000	
30,87,000	..	30,87,000	28,21,000	...	28,21,000
		18,99,000			6,67,000
1,13,05,000	...	1,13,05,000	80,37,000	...	80,37,000
		0			0
82,85,00,000	...		84,00,00,000	...	
5,28,55,000	...		4,78,27,000	...	
...	...		...	...	
9,94,60,000	...		5,95,74,000	...	
1,30,86,000	...		88,29,000	...	
1,13,05,000	...		78,28,000	...	
59,57,33,000	...		46,64,15,000	...	
...	...		...	...	
...	...		...	28,00,00,000	
...	2,66,40,000		...	2,75,00,000	
...	1,85,95,000		...	1,20,80,000	
4,54,97,000	7,28,23,000		3,12,21,000	2,49,16,000	
1,55,64,36,000	11,80,58,000	1,67,44,94,000	1,46,16,94,000	34,44,16,000	1,80,61,10,000
		1,64,000			0
...	2,57,00,000	2,57,00,000	...	...	...
3,77,18,000	...	3,77,18,000	1,08,74,000	...	1,08,74,000
		1,57,37,000			0
5,98,94,50,000	2,15,48,28,000 (b)		5,53,38,26,000	2,05,24,81,000 (b)	
25,66,13,170	8,99,53,817		23,89,58,170	7,41,81,817	
6,24,60,63,170	2,24,47,81,817		5,77,27,84,170	2,12,66,62,817	

(b) Of this amount, Rs. 17,753 represents the funds of the Gold Standard Reserve.

C.—Statement of Receipts and Disbursements of the

Disbursements.	Accounts, 1921-22. India.	England.	Total.
	Rs.	Rs.	Rs.
Brought forward from pages 118 and 119 .	4,38,00,05,897	1,81,91,54,638	
Loans and Advances by the Central Government	33,59,848	...	33,59,848
Net .			1,47,235
Loans between Central and Provincial Governments	7,15,46,657	...	7,15,46,657
Net .			6,38,28,435
Remittances—			
Inland Money Orders	85,28,83,993	...	
Other Local Remittances	64,20,043	...	
Other Departmental Accounts . . .	3,72,583	...	
Net Payments into Civil Treasuries by—			
Railways	7,02,29,094	...	
Net Issues from Civil Treasuries to—			
Posts and Telegraphs	5,51,12,141	...	
Marine	2,37,36,845	...	
Army and Military Works . . .	55,44,61,986	...	
Remittance Account between England and India—			
Transfers through Paper Currency Reserve	2,53,01,650	...	
Remittances from India for financing Home Treasury	...	...	
Iraq drawings	5,51,78,670	...	
Recoverable War Expenditure . .	19,54,32,100	...	
Other transactions	30,39,93,120	4,18,10,566	
Total .	2,14,31,22,225	4,18,10,566	2,18,49,32,791
Net .			0
Secretary of State's Bills paid	...	...	...
Balances of Provincial Governments . .	1,05,74,978	2,47,25,713	3,53,00,691
Net .			3,53,00,691
Total Disbursements .	6,60,86,09,605	1,88,56,90,917	
Closing Balance .	25,66,13,170	(a) 8,99,53,817	
GRAND TOTAL .	6,86,52,22,775	1,97,56,44,734	

* Sterling converted into Rupees at £1=Rs. 10.

Finance Department,
Delhi;
March 29, 1923.

M. F. GAUNTLETT.
Auditor General.

Central Government, in India and in England—*contd.*

Revised Estimate, 1922-23.			Budget Estimate, 1923-24.		
India.	England.	Total.	India.	England.	Total.
Rs. 4,22,36,75,000	Rs. 2,10,52,15,000	Rs.	Rs. 3,68,63,98,000	Rs. 2,03,85,18,000	Rs.
11,88,000	...	11,88,000 0	21,54,000	...	21,54,000 0
12,56,16,000	...	12,56,16,000 11,43,11,000	14,27,14,000	...	14,27,14,000 13,46,77,000
82,80,00,000	...		84,00,00,000	...	
5,16,05,000	...		4,69,33,000	...	
1,17,000	...		9,000	...	
8,89,60,000	...		6,45,74,000	...	
1,30,86,000	...		88,20,000	...	
1,13,05,000	...		78,28,000	...	
50,57,33,000	...		46,64,15,000	...	
...	...		...	...	
...	...		28,00,00,000	...	
2,63,70,000	...		2,75,00,000	...	
1,90,00,000	...		1,20,00,000	...	
8,67,50,000	4,34,04,000		3,98,09,000	2,02,28,000	
1,63,09,26,000	4,34,04,000	1,67,43,30,000 0	1,79,38,97,000	2,02,28,000	1,81,41,25,000 80,15,000
2,57,00,000	...	2,57,00,000	...	...	...
...	2,19,81,000	2,19,81,000 0	...	2,28,86,000	2,28,86,000 1,20,12,000
6,00,71,05,000	2,17,06,00,000		5,62,51,63,000	2,08,16,32,000	
23,89,58,170	(a) 7,41,81,817		14,76,21,170	(a) 4,50,30,817	
6,24,60,63,170	2,24,47,81,817		5,77,27,84,170	2,12,66,62,817	

(a) Of this amount, Rs. 17,753 represents the funds of the Gold Standard Reserve.

A. C. McWATTERS,
Controller of the Currency.

E. M. COOK,
Secretary to the Government of India.

D.—Abstract Statement of the Receipts and Disbursements of the

REVENUE AND EXPENDITURE.		Accounts, 1921-22.			
		Revenue.	Expenditure.	Net Receipts.	Net Charges.
		Rs.	Rs.	Rs.	Rs.
Principal Heads of Revenue	Customs	34,40,98,381	65,87,632	33,75,10,749	
	Taxes on Income	18,74,13,424	22,50,972	18,51,62,452	
	Salt	6,34,37,848	1,56,49,096	4,77,88,752	
	Opium	3,07,24,798	1,80,04,867	1,27,19,931	
	Other heads	2,20,16,921	1,02,19,632	1,17,97,289	
	TOTAL	64,76,91,372	5,27,12,199	59,49,79,173	
Commercial Services	Railways	15,20,82,829	24,29,82,572	...	9,08,99,743
	Irrigation	5,94,141	14,48,454	...	8,54,313
	Posts and Telegraphs	56,52,778	1,66,00,497	...	1,09,47,719
Debt Services	Interest	1,11,60,700	15,99,70,014	...	14,88,69,314
Civil Administration	Civil Administration	77,29,211	9,40,80,047	...	8,63,50,836
Currency, Mint and Exchange	Currency	4,22,83,002	90,75,012	3,31,77,990	...
	Mint	14,89,091	16,73,299	...	1,84,208
	Exchange	...	...	...	...
Civil Works	Civil Works, etc.	11,33,782	1,54,20,200	...	1,42,86,418
Miscellaneous Civil Services	Famine Relief	...	2,91,738	...	2,91,738
	Superannuation	27,73,883	3,44,13,065	...	3,16,39,182
	Miscellaneous	6,82,05,859	1,02,54,199	5,79,51,660	...
	Other Heads	8,77,133	1,09,32,381	...	1,00,55,248
Military Services	Army (Effective, Non-effective)	7,24,22,501	70,85,71,984	...	63,61,49,483
	Marine	61,25,655	1,71,76,626	...	1,10,50,971
	Military works	21,45,676	5,30,49,730	...	5,09,04,054
Contributions and Assignments to Central Government by Provincial Governments		12,98,72,704	...	12,98,72,704	...
	TOTAL	1,15,21,50,317	1,42,86,52,017	81,59,81,527	1,09,24,83,227
	Surplus			...	
	Deficit			27,65,01,700	

Central Government, in India and in England.

Revised Estimate, 1922-23.		Budget Estimate, 1923-24.	
Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Rs.	Rs.	Rs.	Rs.
41,59,04,000		44,36,91,000	
17,43,43,000		18,40,85,000	
5,57,10,000		10,20,50,000	
2,10,00,000		2,04,81,000	
1,72,93,000		1,86,85,000	
68,42,50,000	...	76,89,92,000	...
...	42,60,000	3,85,26,000	...
...	1,99,000	...	3,37,000
24,16,000	...	1,54,97,000	...
...	14,03,79,000	...	14,70,61,000
...	9,44,85,000	...	9,16,21,000
2,45,76,000	...	1,69,46,000	...
...	1,94,000	...	13,31,000
...	50,00,000	...	...
...	1,38,76,000	...	1,65,94,000
...	57,000	...	5,000
...	3,43,18,000	...	3,21,40,000
...	42,85,000	...	67,51,000
...	76,10,000	...	78,09,000
...	52,35,91,000	...	48,41,01,000
...	9,02,44,000	...	8,76,66,000
...	92,62,000	...	75,07,000
...	4,77,81,000	...	4,07,26,000
9,17,64,000	...	9,17,74,000	...
80,30,06,000	97,55,41,000	93,17,35,000	92,36,49,000
...		80,86,000	
17,25,35,000		...	

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England—*contd.*

		Accounts, 1921-22.		Revised Estimate, 1922-23.		Budget Estimate, 1923-24.	
		Nt Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs
	Surplus	...	...	...	...	89,86,000	...
	Deficit	...	27,65,01,700	...	17,25,35,000	...	...
Capital Account.	Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue :—						
	Payments for discharge of Debentures	...	7,85,276	...	60,00,000	...	4,51,26,000
	Capital contributed by Railway Companies and Indian States towards construction of State Railways	63,88,170	...	26,78,000	...	4,51,26,000	...
	Construction of Irrigation Works	...	1,18,180	...	2,00,000	...	22,000
	Construction of State Railways	...	22,96,38,935	...	29,16,05,000	...	33,63,95,000
	Capital outlay on Indian Postal and Telegraph Department	...	81,61,617	...	1,10,36,000	...	94,30,000
	Initial expenditure on new Capital at Delhi	.	1,35,27,418	...	1,91,50,000	...	1,97,00,000
Debt, Deposits, Advances and Remittances.	Permanent Debt (net)	42,26,70,108	...	66,45,36,000	...	33,15,56,000	...
	Floating Debt (net)	6,92,60,000	...	...	41,15,00,000	...	5,50,00,000
	Unfunded Debt (net)	4,62,46,893	...	3,14,11,000	...	5,01,85,000	...
	Loans and Advances by Central Government (net)	...	1,47,235	18,99,000	...	6,67,000	...
	Loans between Central and Provincial Governments (net)	...	6,38,28,435	...	11,43,11,000	...	13,46,77,000
	Deposits and Advances. (net)	18,71,20,018	...	18,64,85,000	...	11,42,69,000	...
	Remittances (net)	3,24,36,065	...	1,64,000	...	...	80,15,000
	Secretary of State's Bills drawn	...	...	2,57,60,000	..	...	...
	Secretary of State's Bills paid	..	...	...	2,57,00,000	...	...
	Balances of Provincial Governments (net)	...	3,53,00,391	1,57,37,000	...	...	1,20,12,000
Cash Balance.	Opening Balance	2:,04,55,220	...	34,65,66,987	...	31,31,39,987	...
	Closing Balance	...	34,65,66,987	...	31,31,39,987	...	19,26,51,987
	Total	97,45,76,474	97,45,76,474	1,27,51,76,987	1,27,51,76,987	86,30,28,987	86,30,28,987

M. F. GAUNTLETT, *Auditor General.*

A. C. McWATTERS, *Controller of the Currency.*

E. M. COOK, *Secretary to the Government of India*

DELHI,
FINANCE DEPARTMENT.
March 29, 1923.

NOTES EXPLAINING THE DETAILS UNDER CERTAIN HEADS OF THE ESTIMATES.

General results.

The broad totals of revenue and expenditure for the last year, the current year and the ensuing year, are as follows :—

	Actuals, 1921-22.
	R
Revenue	1,15,21,50,317
Expenditure charged to Revenue	1,42,86,52,017
Deficit	27,65,01,700

	Revised, 1922-23.
	R
Revenue	1,20 70,17,000
Expenditure charged to Revenue	1,37,95,52,000
Deficit	17,25,35,000

	Budget, 1923-24.
	R
Revenue	1,34,90,43,000
Expenditure charged to Revenue	1,34,09,57,000
Surplus	80,86,000

These figures exclude all capital, debt and remittance transactions.

Actuals, 1921-22.

2. A brief explanation is as usual given below of the principal divergences between the Revised estimates of revenue and expenditure as submitted to the Legislature twelve months ago, and the actual accounts of the year as closed, audited and compiled by the Auditor-General.

3. The broad results are brought out in the following table :—

	Revenue.	Expenditure.	Deficit.
	R	R	R
Revised, 1921-22	1,13,15,32,000	1,41,94,52,000	28,79,20,000
Actuals, 1921-22	1,15,21,50,317	1,42,86,52,017	27,65,01,700

4. The actual deficit was less than the Revised Estimate by R1,14,18,300 mainly as the result of an increase of R60 lakhs in income-tax revenue and a reduction of R41 lakhs in the debits for exchange.

5. The details of certain heads of the estimates are explained in the following pages. The railway estimates are explained in Appendix I.

I AND L.—CUSTOMS.

SEA CUSTOMS.	Actuals, 1919-1920.	Actuals, 1920-1921.	Actuals, 1921-1922.	1922-1923. Budget.	1922-1923. Revised.	Budget, 1923-1924.
IMPORTS.	R	R	R	R	R	R
Special Import Duties.						
1. Liquors—						
(a) Ale, Beer, Porter, Cider and other fermented Liquors	6,83,000	3,89,000	11,44,000	16,00,000	13,70,000	14,30,000
(b) Spirits and Liqueurs	1,24,79,000	1,70,76,000	1,91,71,000	2,43,00,000	2,02,00,000	2,26,00,000
(c) Wines	6,39,000	9,01,000	12,58,000	14,00,000	11,30,000	12,00,000
2. Sugar, all sorts	1,28,11,000	1,09,17,000	6,50,69,000	6,25,00,000	4,65,00,000	5,00,00,000(a)
3. Tobacco	89,07,000	1,31,26,000	1,01,36,000	1,40,00,000	1,47,00,000	1,60,60,000
4. Coal, coke and patent fuel	22,000	46,000	7,59,000	5,00,000	5,30,000	5,50,000
5. Mineral oils	1,00,37,000	77,84,000	80,97,000	1,30,00,000	1,11,50,000	1,25,00,000
6. Arms, Ammunition and Military Stores	6,03,000	6,15,000	7,51,000	8,50,000	8,50,000	9,00,000
7. Opium	3,000	3,000	2,000	3,000	3,000	3,000
8. Cotton yarn and thread	...	...	...	50,00,000	52,00,000	55,00,000
9. Cotton piece-goods	3,92,08,000	6,41,19,000	4,66,61,000	5,60,00,000	6,56,00,000	6,85,00,000
10. Matches	15,46,000	16,57,000	1,03,84,000	2,05,00,000	1,53,00,000	1,60,00,000
Duty at 2½ per cent.						
11. Machinery	18,86,000	52,67,000	1,15,95,000	1,05,00,000	69,00,000	69,00,000
12. Other articles	2,49,000	4,32,000	2,66,000	5,00,000	2,00,000	2,00,000
Duty at 10 per cent.						
13. Metals—Iron and Steel	46,08,000	66,90,000	67,75,000	1,73,00,000	1,86,00,000	2,00,00,000
14. Railway plant and rolling stock	13,56,000	33,91,000	53,32,000	1,73,00,000	1,20,00,000	1,00,00,000
15. Other articles	56,000	35,000	1,79,000	..	1,91,000	2,01,000
Duty at 15 per cent.						
16. Articles of Food and Drink (excluding sugar and vinegar)	66,30,000	63,69,000	83,00,000	94,00,000	1,30,00,000	1,45,00,000
17. Raw materials and articles mainly unmanufactured	38,15,000	38,23,000	42,15,000	45,00,000	68,00,000	68,00,000
18. Articles wholly or mainly manufactured—						
(a) Cutlery, hardware, implements and instruments	55,32,000	1,28,57,000	1,27,24,000	2,02,00,000	1,36,00,000	1,48,50,000
(b) Metals other than Iron and Steel	63,67,000	69,92,000	61,55,000	86,00,000	1,10,00,000	1,21,00,000
(c) Yarns and textile fabrics (other than cotton manufactures)	45,87,000	1,05,42,000	55,03,000	65,00,000	78,00,000	78,00,000
(d) All other articles wholly or mainly manufactured	2,11,27,000	4,30,93,000	2,71,06,000	4,54,00,000	3,83,00,000	4,00,00,000
19. Miscellaneous	43,19,000	72,64,000	70,75,000	65,00,000	51,00,000	60,00,000
Carried over	14,79,70,000	22,37,78,000	25,86,57,000	34,63,53,000	31,60,24,000	33,55,24,000

(a) Includes R20 lakhs expected from the alteration in the rate of duty on saccharine.

I AND 1.—CUSTOMS—*contd.*

	Actuals, 1919-1920.	Actuals, 1920-1921.	Actuals, 1921-1922.	1922-1923.		Budget, 1923-1924.
				Budget.	Revised.	
	R	R	R	R	R	R
SEA CUSTOMS—*contd.*						
IMPORTS—*contd.*						
Brought forward .	14,79,70,000	22,37,78,000	25,86 57,000	34,63,53,000	31,60,24,000	33,55,34,000
Duty at 30 per cent.						
20. Motor cars and cycles .	...	...	51,50,000	80,00,000	59,00,000	70,00,000
21. Silk piece-goods and other manufactures of silk . . .	49,25,000	49,17,000	51,60,000	80,00,000	81,00,000	85,00,000
22. Pneumatic rubber tyres and tubes . . .	...	...	21,85,000	29,00,000	32,60,000	37,50,000
23. Other articles . .	14,63,000	29,40,000	58,67,000	95,00,000	1,00,00,000	1,10,00,000
TOTAL IMPORTS .	15,43,58,000	23,16,35,000	27,70,19,000	37,47,53,000	34,32,84,000	36,57,84,000
24. Export duties—						
(a) Hides and skins, raw . .	91,92,000	60,22,000	51,42,000	62,00,000	44,00,000	25,00,000
(b) Jute (raw and manufactured) . .	2,97,48,000	3,21,13,000	2,71,99,000	3,20,00,000	3.41,00,000	3,45,00,000
(c) Rice . . .	87,22,000	60,28,000	80,45,000	1,10,00,000	1,10,00,000	1,15,00,000
(d) Tea . . .	54,51,000	42,05,000	46,26,000	60,00,000	50,95,000	55,45,000
25. Sea Customs—Miscellaneous . .	10,86,000	18,85,000	12,67,000	20,00,000	11,25,000	11,74,000
26. Land Customs . .	7,40,000	14,01,000	14,60,000	12,00,000	20,00,000	20,33,000
27. Excise Duty on Cotton manufactures . .	1,55,15,000	2,30,93,000	2,19,17,000	2,35,00,000	1,78,15,000	1,88,15,000
28. Excise Duty on Motor Spirit . . .	41,42,000	54,26,000	61,10,000	75,00,000	70,00,000	80,00,000
29. Excise Duty on Kerosene	...	...	18,000	40,00,000	88,78,000	90,90,000
30. Warehouse and wharf rents and Miscellaneous . .	8,79,000	71,77,000	8,28,000	10,00,000	8,00,000	10,00,000
TOTAL GROSS REVENUE	22,48,33,000	31,89,85,000	35,36,31,000	46,91,53,000	43,55,03,000	45,99,41,000
Deduct—Refunds .	*1,01,63,000*	*92,18,000*	*95,33,000*	*1,49,69,000*	*1,25,00,000*	*90,00,000*
NET REVENUE .	21,46,70,000	30,97,67,000	34,40,98,000	45,41,84,000	42,30,03,000	45,09,41,000
CHARGES.						
India	48,82,284	58,76,144	64,49,533	67,06,000	69,54,000	71,15,000
England	30,050	76,960	91,196	1,09,000	97,000	90,000
Exchange . . .	...	...	46,903	...	48,000	45,000
TOTAL .	49,12,334	59,53,104	65,87,632	68,15,000	70,99,000	72,50,000

Revised, 1922-23.

6. The Revised estimate of Customs revenue in 1922-23 amounts to R42,30·03 lakhs or R3,11·81 lakhs less than the Budget estimate. The largest decline (R1,60 lakhs) will occur under sugar, the imports of which have fallen short of anticipations, partly as the result of a fall in prices, a consequent reduction in the tariff valuation from the 1st January 1923 and a postponement of imports in order to get the benefit of the lower valuation. The other important decreases occur under excise duty on cotton manufactures (R56·85 lakhs) owing to a reduced output from cotton mills as the result of the high price of cotton and a fall in the price of cotton cloth in internal markets, and the import duties on cutlery and hardware (R66 lakhs), railway plant and rolling stock (R53 lakhs), matches (R52 lakhs), spirits and liqueurs (R41 lakhs), machinery (R36 lakhs) and other manufactured articles (R71 lakhs). The decline under these heads will, however, be largely set off by increases from the import duties on cotton piece-goods (R96 lakhs), metals (R37 lakhs) and articles of food and drink (R36 lakhs) and the new excise duty on kerosene (R48·78 lakhs).

Budget, 1923-24.

7. The Budget estimate of Customs revenue for 1923-24 is taken at R45,09·41 lakhs or R2,79·38 lakhs more than the Revised estimate for 1922-23. The estimates allow for a growth of revenue under the important tariff heads, the largest increases being expected under sugar (R15 lakhs), cotton piece-goods (R20 lakhs), metals (R25 lakhs) and spirits and liqueurs (R24 lakhs). The Budget also provides for increases of revenue under saccharine (R20 lakhs) and tea-chests (R7 lakhs), and for decreases under Railway materials (R23 lakhs), machinery (R7 lakhs) and the export duty on hides and skins (R19 lakhs) as the result of the minor changes in the tariff schedule made in the Indian Finance Act, 1923.

II AND 2.—TAXES ON INCOME.

REVENUE.

	Actuals, 1919-1920.	Actuals, 1920-1921.	Actuals, 1921-1922.	1922-1923. Budget.	1922-1923. Revised.	Budget, 1923-1924.
EXCESS PROFITS DUTY.	₹	₹	₹	₹	₹	₹
1. India	43,504	4,01,205	...	...	...	...
2. N.-W. Frontier	96,800	..	30,755	...	...	...
3. Madras	21,42,128	38,32,284	8,24,867	..	...	.
4. Bombay	2,78,07,499	61,58,826	11,21,569	...	1,43,000	...
5. Bengal	5,13,82,284	69,56,280	5,60,200	...	75,000	...
6. United Provinces	32,76,758	7,25,654	28,323	...	...	...
7. Punjab	6,94,035	4,23,648	51,458	...	...	...
8. Burma	39,23,846	2,85,277	...	...	...	...
9. Bihar and Orissa	2,24,608	30,726	13,881	...	...	.
10. Central Provinces	26,68,908	...	..	...	...	...
11. Assam	20,124	1,406	...	...	..	..
Total	9,22,80,494	1,88,15,906	26,30,563	...	2,18,000	.
SUPER-TAX.						
1. India	63,468	1,92,282	2,64,293	3,35,000	1,73,000	1,75,000
2. N.-W. Frontier	19,433	10,744	96,959	22,000	45,000	45,000
3. Madras	38,99,508	18,22,520	54,87,980	56,00,000	40,50,000	50,00,000
4. Bombay	1,91,50,702	1,88,02,642	3,80,66,807	2,96,52,000	3,67,55,000	2,73,86,000
5. Bengal	90,06,438	3,36,91,035	3,03,34,671	3,05,00,000	1,96,63,000	1,90,00,000
6. United Provinces	8,87,591	17,89,590	38,64,128	45,00,000	28,00,000	23,00,000
7. Punjab	3,71,364	9,39,808	10,06,091	7,08,000	9,79,000	10,23,000
8. Burma	12,84,955	47,15,451	56,21,222	61,00,000	61,50,000	60,00,000
9. Bihar and Orissa	9,05,288	9,07,194	10,63,980	11,22,000	18,77,000	12,28,000
10. Central Provinces	2,56,600	6,24,361	18,42,103	20,71,000	24,00,000	17,00,000
11. Assam	17,728	94,658	13,713	1,00,000	1,01,000	1,00,000
Total	2,65,58,070	6,35,95,235	8,76,61,852	8,07,10,000	7,19,93,000	6,35,57,000
INCOME-TAX.						
1. India General—						
Civil	16,91,818	18,99,806	25,73,782	28,11,000	29,38,000	29,63,000
Non-Civil Departments	48,29,019	53,15,471	62,43,377	61,77,000	63,35,000	63,14,000
2. Delhi	8,07,540	12,79,749	13,80,514	12,10,000	10,23,000	10,86,000
3. Baluchistan	35,943	42,282	48,153	46,000	58,000	62,000
4. North-West Frontier	3,29,925	5,24,026	6,22,787	5,73,000	7,67,000	7,17,000
5. Madras	1,06,94,329	1,89,94,480	1,51,91,114	1,80,01,000	1,42,51,000	1,50,01,000
6. Bombay	3,46,96,785	4,29,40,821	5,59,19,576	5,30,14,000	5,65,62,000	4,21,22,000
7. Bengal	3,47,37,615	4,33,27,376	4,36,23,020	4,15,00,000	2,86,45,000	2,90,00,000
8. United Provinces	63,95,167	70,57,656	90,67,961	1,01,20,000	97,64,000	83,14,000
9. Punjab	44,90,189	55,25,172	50,31,329	65,20,000	78,01,000	67,29,000
10. Burma	88,83,839	1,18,71,272	1,29,71,221	1,51,00,000	1,35,17,000	1,35,00,000
11. Bihar and Orissa	24,54,375	26,62,359	32,48,551	37,82,000	41,50,000	41,50,000
12. Central Provinces	26,55,092	29,01,463	41,66,582	44,82,000	41,45,000	35,96,000
13. Assam	7,48,248	9,80,404	8,86,404	10,43,000	10,48,000	12,24,000
Total	11,34,44,879	13,95,22,337	16,08,59,371	16,43,88,000	15,13,67,000	13,45,76,000
Gross Revenue from Taxes on income	23,20,78,443	22,19,28,478	25,11,51,791	24,50,98,000	22,65,78,000	19,84,35,000
Deduct—Refunds	*77,37,263*	*1,27,54,156*	*2,93,96,968*	*2,17,87,000*	*4,44,05,000*	*66,71,000*
NET REVENUE	22,43,41,180	20,91,74,322	22,17,54,823	22,33,11,000	18,21,73,000	19,17,64,000
Deduct—Share of Provincial Governments in Income-tax revenue under the Devolution Rules			*3,43,41,399*	*21,72,000*	*32,42,000*	*13,00,000*
Revenue of the Central Government			18,74,13,424	22,11,39,000	17,89,31,000	19,04,64,000

EXPENDITURE.

	Actuals, 1919-1920.	Actuals, 1920-1921.	Actuals, 1921-22.	1922-1923.		Budget, 1923-1924.
				Budget.	Revised.	
	R	R	R	R	R	R
1. India General	43,458	43,884	51,467	95,000	6,94,000	10,00,000
2. Delhi	5,508	971		10,000	14,000	15,000
3. Baluchistan	...	...	...	...	6,000	14,000
4. North-West Frontier	4,439	18,325	22,511	46,000	53,000	62,000
5. Madras	1,49,341	3,48,722	3,30,627	8,00,000	4,89,000	6,86,000
6. Bombay	4,42,885	5,84,630	4,97,945	11,04,000	8,98,000	14,79,000
7. Bengal	2,66,623	3,11,468	2,87,409	8,00,000	5,50,000	7,87,000
8. United Provinces	2,64,601	3,72,169	3,63,044	6,37,000	5,86,000	6,49,000
9. Punjab	1,09,818	2,07,814	3,04,785	5,29,000	4,80,000	5,96,000
0. Burma	1,21,772	1,46,335	1,31,931	2,62,000	2,38,000	3,87,000
11. Bihar and Orissa	52,165	64,257	78,269	1,82,000	1,89,000	2,29,000
12. Central Provinces	61,732	82,480	1,53,508	3,54,000	3,08,000	3,71,000
13. Assam	4,927	5,295	5,327	7,000	12,000	12,000
Deduct—Lump reduction made by the Assembly	...	...	...	2,24,000	...	...
Total	15,27,269	21,86,350	22,26,823	46,02,000	45,17,000	62,87,000
England	1,230	19,720	15,947	66,000	47,000	61,000
Exchange	...	...	8,202	...	24,000	31,000
TOTAL EXPENDITURE R	15,28,499	22,06,070	22,50,972	46,68,000	45,88,000	63,79,000

REVENUE.

(*i*) *Excess Profits Duty.*

Revised, 1922-23. 8. The Revised Estimate for the current year (R2·18 lakhs) represents the collection of arrears thrown forward from previous years.

(*ii*) *Super-tax and Income-tax.*

Revised, 1922-23. 9. The Revised Estimate of net revenue for 1922-23 is taken at R17,87·36 lakhs against the Budget Estimate of R22,11·39 lakhs. The bulk of the decrease occurs in Bengal (R3,61·19 lakhs) owing to a reduction in the profits of 1921-22 and to heavy refunds necessitated by the adjustment of provisional assessments made on the basis of the previous year's income in accordance with the provisions of section 19 of the Income-tax Act of

1918. There will also be a falling-off of revenue due to the same cause in Madras (R54·79 lakhs), Burma (R53·89 lakhs) and the United Provinces (R25·82 lakhs), but these decreases will be partly set off by increased collections in Bombay (R41·64 lakhs).

10. The Budget estimate of net revenue for 1923-24 is placed at R19,04·64 lakhs and is R1,17·28 lakhs more than the Revised estimate for the current year. Owing to the abolition of the adjustment system referred to above, the refunds are expected to be R3,77·11 lakhs less than in the current year, but this improvement will be set off to a large extent by a reduction in the demand in several provinces, notably Bombay and Bengal, following on the lower profits of the current year. *Budget, 1923-24.*

EXPENDITURE.

11. The Revised estimate for the current year does not materially differ from the Budget. The savings appearing against several provinces are nominal, being due to the full sanctioned staff not having been entertained. Payments will, however, have to be made to local Governments to compensate them for the work done by the provincial revenue staff where a whole-time staff has not been appointed, and a provision of R6 lakhs on this account is included under "India General." The Budget for 1923-24 provides for the further strengthening of income-tax establishments in almost all the provinces and includes R9 lakhs for compensatory payments to local Governments. *Revised, 1922-23.* *Budget, 1923-24.*

II AND 3.—SALT.

	Actuals, 1919-1920.	Actuals, 1920-1921.	Actuals, 1921-1922.	1922-1923.		Budget, 1923-1924.
				Budget.	Revised.	
REVENUE.	R	R	R	R	R	R
Northern India (a) . .	80,81,326	1,45,37,961	1,89,25,023	2,18,08,000	2,20,33,000	3,42,89,000
Madras (a) . . .	1,51,53,932	1,46,12,475	1,39,10,320	1,41,96,000	1,60,92,000	2,39,35,000
Bombay (a) . . .	1,71,82,357	2,13,17,341	1,25,87,566	1,56,24,000	1,64,00,000	2,75,31,000
Bengal (b)	1,38,59,449	1,40,10,216	1,56,42,365	1,62,80,000	1,88,60,000	2,70,40,000
Burma (b)	32,90,112	31,64,742	33,52,444	34,00,000	33,30,000	55,04,000
Bihar and Orissa . .	1,233	1,803	2,082	1,000	1,000	1,000
Assam	910	770	...	...	...	...
GROSS REVENUE .	5,74,79,319	6,76,45,308	6,44,19,890	7,13,09,000	7,67,16,000	11,83,00,000
Deduct—Refunds .	*3,95,405*	*57,65,495*	*9,81,952*	*27,06,000*	*49,32,000*	*8,00,000*
NET REVENUE .	5,70,83,914	6,18,79,813	6,34,37,848	6,86,03,000	7,17,84,000	11,75,00,000
CHARGES.						
Cost of salt purchased by Government . . .	19,17,766	17,85,146	21,16,621	24,63,000	20,42,000	23,62,000
Assignments and compensations	44,46,452	38,55,408	36,84,990	38,77,000	38,49,000	39,11,000
Other charges . . .	61,69,248	75,05,377	97,34,977	1,10,89,000	1,00,86,000	90,93,000
Deduct:—Lump reduction made by the Assembly .	...	...	...	*1,71,000*	...	...
Total India .	1,25,33,466	1,31,45,931	1,55,36,588	1,72,58,000	1,59,77,000	1,53,66,000
England	51,730	61,840	74,296	71,000	65,000	56,000
Exchange	...	...	38,212	...	32,000	28,000
TOTAL .	1,25,85,196	1,32,07,771	1,56,49,096	1,73,29,000	1,60,74,000	1,54,50,000
Total Consumption Mds. .	4,98,21,000	4,66,71,000	4,78,31,000	5,26,00,000	5,35,00,000	5,30,00,000

(a) Chiefly excise on local manufacture. (b) Chiefly duty on imported salt.

REVENUE.

Revised 1922-23. 12. Exclusive of the proceeds of the additional taxation referred to in paragraph 14 below, the Revised estimate of gross revenue exceeds the Budget for the current year by R29·07 lakhs, the increase occurring mainly in

Bengal (R18·80 lakhs) owing to the realisation of amounts outstanding from the previous year and in Madras (R13·96 lakhs) as the result of larger sales. The net revenue will, however, be only R6·81 lakhs more than the Budget owing chiefly to refunds of duty on Baragara salt recovered in 1920-21 (R20 lakhs).

13. The total issues of salt in 1923-24, imported as well as locally manufactured, are taken at 5,30 lakhs of maunds. Including sale-proceeds of Government salt and other miscellaneous receipts and allowing for refunds, on a normal scale, the Budget estimate of net revenue for 1923-24 has been placed at R7,25 lakhs exclusive of the proceeds of the additional taxation. *Budget, 1923-24.*

14. With effect from the 1st March 1923, the duty on salt imported into, and produced in, India has been increased from R1-4 to R2-8 a maund in accordance with the Indian Finance Act, 1923. Allowing for the operation of the credit system of sales which is in force in Bengal, Madras and Bombay, the extra revenue from the doubling of the duty is estimated at R25 lakhs in the current year and R4,50 lakhs in 1923-24.

EXPENDITURE.

15. The Revised estimate for 1922-23 is less than the Budget by R12·55 lakhs, the decrease occurring chiefly in Northern India, Madras and Bombay. The Budget for 1923-24 contains additional provision for the improvement of salt sources and the development of mines, but this is more than counter-balanced by a decrease of R9·80 lakhs due to the credit under this head from next year of the recoveries from traders of the cost of bags used for despatch of salt which were hitherto treated as an item of revenue. *Revised, 1922-23.* *Budget, 1923-24.*

IV AND 4.—OPIUM

	Actuals, 1919-1920.	Actuals, 1920-1921.	Actuals, 1921-1922.	1922-1923. Budget.	1922-1923. Revised.	Budget, 1923-1924.
	R	R	R	R	R	R
INDIA.						
Revenue—						
Sale of provision and medical opium	3,92,84,669	2,93,71,038	2,36,83,908	2,25,45,000	3,13,82,000	2,89,66,000
Excise opium and other revenue	62,77,543	59,70,196	70,41,284	83,87,000	84,87,000	1,03,47,000
GROSS REVENUE	4,55,62,212	3,53,41,234	3,07,25,192	3,09,32,000	3,98,69,000	3,93,13,000
Deduct—Refunds	*419*	*623*	*394*	*2,000*	*1,000*	*1,000*
NET REVENUE	4,55,61,793	3,53,40,611	3,07,24,798	3,09,30,000	3,98,68,000	3,93,12,000
Expenditure—						
Purchase of Opium (including payments to Cultivators)	1,11,23,467	1,03,82,503	1,61,14,979	1,67,58,000	1,69,18,000	1,69,19,000
Other Charges	18,91,180	19,22,133	18,10,228	19,98,000	18,73,000	18,23,000
Deduct.—Lump reduction made by the Assembly	...	...	...	*2,00,000*	...	...
TOTAL INDIA	1,30,14,647	1,23,04,636	1,79,25,207	1,85,56,000	1,87,91,000	1,87,42,000
ENGLAND	39,850	70,550	52,605	65,000	51,000	59,000
Exchange	....	...	27,055	...	26,000	30,000
TOTAL	1,30,54,497	1,23,75,186	1,80,04,867	1,86,21,000	1,88,68,000	1,88,31,000

REVENUE.

(*i*) *Provision and Medical Opium.*

Revised, 1922-23. 16. The Budget estimate for 1922-23 provided for a revenue of R2,25·45 lakhs from the sale of about 6,590 chests of opium for consumption outside India. Of this quantity 1,100 chests were to be disposed of at the monthly auctions held at Calcutta, and the balance was to be supplied to the Foreign Governments with which agreements have been entered into for the direct supply of opium at fixed prices, the countries which at present take the largest supplies in this manner being the Straits Settlements, the Netherlands Indies and Siam. Owing to a better demand for opium in the Far East than was anticipated in the Budget, 2,640 chests have so far been sold by auction and 250 chests are on offer for the sale of this month. The average price realised during the year will amount to R4,546 a chest, and the proceeds from auction sales are estimated at R1,31·38 lakhs, or R81·88 lakhs higher than the Budget. Inclusive of direct supplies which will bring in R6·49 lakhs more than the Budget owing to increased demands by some

of the Foreign Governments, it is now estimated that 8,336 chests will be disposed of in the current year and that they will fetch a revenue R3,13·82 lakhs.

17. The Budget estimate provides for a revenue of R2,89·66 lakhs from the sale of provision opium, or R24·15 lakhs less than the Revised estimate for the current year. *Budget, 1923-24.*

(ii) Excise Opium and other revenue.

18. The Revised estimate for 1922-23 is more than the Budget by R1 lakh owing to an increase in consumption, mainly in Bombay and Assam. The Budget estimate exceeds the current year's Revised by R18·60 lakhs in consequence of the increase of the price payable by Local Governments from R28 to R30 per seer from the 1st April 1923. Only the amount charged to Local Governments on account of the cost of production of opium consumed in India is credited under this head, the difference between the actual price of issue and the cost of production forming an item of excise revenue creditable to Provincial revenues in the case of the major provinces. *Revised, 1922-23.* *Budget, 1923-24.*

EXPENDITURE.

19. The Revised estimate for 1922-23 exceeds the Budget by R2·47 lakhs. There will be an increase of R8·84 lakhs in the payments for purchase of Malwa opium, partly set off by savings in establishment charges and in the provision for payments to cultivators in the United Provinces due to poor outturn. *Revised, 1922-23.*

20. The Budget estimate for 1923-24 does not differ materially from the current year's Revised. *Budget, 1923-24.*

XV, 17, 18 AND 56.—POSTS AND TELEGRAPHS.

	Actuals, 1919-20.	Actuals, 1920-21.	Actuals, 1921-22.	1922-23.		Budget, 1923-24.
				Budget.	Revised.	
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.	R	R	R	R	R	R
GROSS RECEIPTS.						
INDIA.						
1. Postage and Message Revenue . . .	7,28,30,379	7,08,41,950	7,36,78,560	9,22,69,000	7,99,69,000	8,49,99,000
2. Commission on money orders . . .	97,82,027	1,83,76,585	1,05,90,485	1,10,00,000	1,04,70,000	1,08,00,000
3. Other Receipts . .	53,26,359	57,42,913	63,22,784	58,50,000	69,00,000	73,00,000
TOTAL INDIA .	8,79,38,765	9,44,61,448	9,05,91,829	10,91,19,000	9,73,39,000	10,30,99,000
ENGLAND .	...	...	...	...	...	...
TOTAL GROSS RECEIPTS .	8,79,38,765	9,44,61,448	9,05,91,829	10,91,19,000	9,73,39,000	10,30,99,000
WORKING EXPENSES.						
INDIA.						
1. Establishment charges .	4,34,87,442	5,97,70,800	6,50,29,704	6,82,22,000	6,66,66,000	6,34,05,000
2. Stationery and Printing	31,08,971	31,46,054	42,65,441	32,21,000	33,99,000	27,21,000
3. Conveyance of mails .	82,80,236	1,00,51,774	1,09,92,055	1,14,99,000	1,12,78,000	1,06,83,000
4. Maintenance of Telegraph lines . .	30,56,590	39,90,662	45,75,648	60,89,000	57,10,000	48,62,000
5. Miscellaneous . .	18,88,441	11,05,551	12,95,088	12,96,000	22,08,000	12,78,000
TOTAL INDIA .	5,98,21,680	7,80,64,841	8,61,77,936	9,03,27,000	8,92,61,000	8,29,49,000
ENGLAND.						
1. Contribution to Eastern mail subsidy . .	4,57,880	...	...	2,00,000	...	...
2. Other items . . .	68,040	2,66,500	1,81,313	2,55,000	3,25,000	2,77,000
TOTAL ENGLAND .	5,25,920	2,66,500	1,81,313	4,55,000	3,25,000	2,77,000
LOSS BY EXCHANGE .	...	...	92,837	2,27,000	1,62,000	1,38,000
TOTAL WORKING EXPENSES .	6,03,47,600	7,83,31,341	8,64,52,086	9,10,09,000	8,97,48,000	8,33,64,000
NET RECEIPTS—INDIAN POSTAL AND TELEGRAPH DEPARTMENT.	2,75,91,165	1,61,30,107	41,39,743	1,81,10,000	75,91,000	1,97,35,000

	Actuals, 1920-21.	Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	Budget, 1923-24.
EXPENDITURE CHARGED TO REVENUE.	R	R	R	R	R
INDIAN POSTAL AND TELEGRAPH DEPARTMENT—					
INDIA.					
1. Interest on Debt	...	56,81,015	66,00,000	62,05,000	68,28,000
2. Miscellaneous Expenditure	—22,70,161	—36,49,820	—68,29,000	—54,13,000	—49,24,000
	—22,70,161	20,31,195	—2,29,000	7,92,000	19,04,000
ENGLAND.					
Miscellaneous Expenditure— Purchase of Stores	93,22,372	98,65,571	72,90,000	41,00,000	25,00,000
Loss by Exchange	...	50,34,237	36,45,000	20,50,000	12,50,000
TOTAL EXPENDITURE CHARGED TO REVENUE	70,52,211	1,69,31,003	1,07,06,000	69,42,000	56,54,000
CAPITAL OUTLAY ON POSTS AND TELEGRAPHS. (NOT CHARGED TO REVENUE.)					
INDIAN POSTAL AND TELEGRAPH DEPARTMENT—					
1. Telegraph Lines	66,26,833	48,99,424	89,44,000	62,23,000	61,00,000
2. Telegraph Buildings	343	11,57,739	25,03,000	19,50,000	12,30,000
3. Apparatus and Plant, etc.	5,89,280	21,04,454	30,53,000	28,63,000	21,00,000
TOTAL	72,16,456	81,61,617	1,45,00,000	1,10,36,000	94,30,000

	Actuals, 1919-20.	Actuals, 1920-21.	Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	Budget, 1923-24.
INDO-EUROPEAN TELEGRAPH DEPARTMENT.	R	R	R	R	R	R
GROSS RECEIPTS.						
INDIA.						
1. Message Revenue	39,58,011	16,28,207	27,68,199	24,00,000	28,00,000	24,00,000
2. Other Receipts	98,523	24,461	—5,169	—2,90,000	30,000	—2,96,000
TOTAL INDIA	40,56,534	16,52,668	27,63,030	21,10,000	28,30,000	21,04,000
ENGLAND.						
1. Message Revenue	10,45,920	15,00,695	14,44,588	9,50,000	14,75,000	10,00,000
2. Other Receipts	6,350	1,500	4,045	3,20,000	2,000	3,20,000
TOTAL ENGLAND	10,52,270	15,02,195	14,48,633	12,70,000	14,77,000	13,20,000
Gain by Exchange	...	...	6,99,509	6,35,000	7,39,000	6,60,000
TOTAL GROSS RECEIPTS	51,08,804	31,54,863	49,11,172	40,15,000	50,46,000	40,84,000
WORKING EXPENSES— INDIA AND ENGLAND.	31,18,035	26,29,510	33,78,752	36,35,000	35,43,000	29,58,000
Loss by Exchange	...	...	19,385	17,000	36,000	29,000
NET RECEIPTS—INDO-EUROPEAN TELEGRAPH DEPARTMENT	19,90,769	5,25,353	15,13,035	3,63,000	14,67,000	10,97,000

	Actuals, 1920-21.	Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	Budget, 1923-24.
CAPITAL ACCOUNT CHARGED TO REVENUE.	R	R	R	R	R
INDO-EUROPEAN TELEGRAPH DEPARTMENT—					
India	—31,576	—6,42,757	—5,29,000	—5,02,000	—6,56,000
England	5,84,674	2,06,787	3,35,000	1,35,000	2,25,000
Loss by Exchange	...	1,05,464	1,65,000	67,000	1,12,000
TOTAL CAPITAL ACCOUNT CHARGED TO REVENUE	5,53,098	—3,30,506	—29,000	—3,00,000	—3,19,000

INDIAN POSTAL AND TELEGRAPH DEPARTMENT.

(*a*) *Gross Receipts.*

Revised, 1922-23. 21. The Revised estimate for 1922-23 falls short of the Budget by R1,17·80 lakhs owing partly to depression in trade and partly to reduction in correspondence in the early months of the year as the result of the increased rates of postage introduced by the Indian Finance Act, XII of 1922. The decrease would have been more but for larger realisations on account of rent of telephones and miscellaneous receipts (R10·50 lakhs).

Budget, 1923-24. 22. The Budget estimate of revenue for 1923-24 provides for an increase of R57·60 lakhs over the Revised estimate for the current year. The Indian Finance Bill of 1923 provides for the continuance during 1923-24 of the increased postal rates introduced by the Finance Act of 1922.

(*b*) *Working Expenses.*

Revised, 1922-23. 23. The Revised estimate shows a decrease of R12·61 lakhs as compared with the Budget, due chiefly to savings in temporary and additional establishments, partly set-off by charges for over-printing stamps and the manufacture of post-cards for which no provision was made in the Budget. The *Budget, 1923-24.* Budget estimate for 1923-24 has been generally framed with reference to the recommendations of the Indian Retrenchment Committee and is R63·84 lakhs less than the Revised estimate for the current year.

(*c*) *Interest on Debt*

24. The Revised estimate for the current year and the Budget for the next year are taken at R62·05 and R68·28 lakhs, respectively, with reference to the estimates of capital outlay now adopted.

(*d*) *Miscellaneous Expenditure—India.*

25. The increase in the Revised over the Budget estimate for the current year and in the Budget estimate for 1923-24 over the current year's Revised is mainly due to a reduction in the value of stores issued to the capital account and for working purposes owing to a curtailment of the programme of works.

(e) Miscellaneous Expenditure—England.

26. The decrease of R31·90 lakhs in the Revised estimate for the current year as compared with the Budget is due partly to a fall in prices and in requirements and partly to a throw-forward of expenditure to the next year. The Budget grant for the purchase of stores in 1923-24 has been curtailed as the result of retrenchment. *Revised, 1922-23.* *Budget, 1923-24.*

(f) Capital outlay not charged to Revenue.

27. Pending the settlement of the basis of allocation of expenditure to the capital account, the arrangement adopted in the Budget estimate for the current year of showing outside the revenue account the outlay on telegraph buildings, lines and apparatus has been retained. The decrease in the Revised estimate for the current year and the further decrease in the Budget for 1923-24 are due to the restriction of expenditure to urgent works and works in progress.

INDO-EUROPEAN TELEGRAPH DEPARTMENT.

(a) Gross Receipts.

28. The Revised estimate for the current year exceeds the Budget by R10·31 lakhs owing to a greater volume of traffic over the Eastern Telegraph line. The Budget for 1923-24 assumes normal traffic over this line. *Revised, 1922-23.* *Budget, 1923-24.*

(b) Working Expenses.

29. The decrease of R5,85 lakhs in the Budget for the next year as compared with the Revised for the current year is due to retrenchment. *Budget, 1923-24.*

(c) Capital outlay charged to Revenue.

30. There is a saving of R5·89 lakhs in the Revised estimate as compared with the Budget for the current year mainly due to the postponement of works which are not considered urgent and to smaller expenditure on stores. On the other hand, the contribution of R3·18 lakhs from the British Exchequer towards the construction of certain Persian lines for which credit was taken in the Budget is not expected to be realised during the current year. The Budget estimate for 1923-24 takes credit for this contribution, but provides for an increased expenditure of R2·99 lakhs on stores. *Revised, 1922-23.* *Budget, 1923-24.*

XVI.—INTEREST RECEIPTS.

	Actuals, 1919-20.	Actuals, 1920-21.	Actuals, 1921-22.	1922-23.		Budget, 1923-24.
				Budget.	Revised.	
INDIA.	R	R	R	R	R	R
1. Interest on loans and advances by the Central Government	35,96,153	35,97,716	35,21,554	34,56,000	34,93,000	34,35,000
2. Interest on overdrawn Capital of Railway Companies in India	5,45,148	36,277	37,107	65,000	37,000	37,000
3. Interest on advances to Railway Companies charged to Capital	22,460	1,24,560	4,51,974	7,50,000	8,40,000	10,60,000
4. Interest on Securities of Railway Companies' Provident Funds	31,97 828	27,71,767	30,95,271	37,55,000	35,00,000	35,29,000
5. Miscellaneous items	4,39,201	1,06,192	2,05,768	1,02,000	1,30,000	1,18,000
TOTAL INDIA	78,00,790	66,36,512	73,11,669	81,28,000	80,00,000	81,74,000
ENGLAND.						
1. Interest realised from investment of Cash Balances, etc.	36,25,580	18,78,580	22,83,413	3,03,000	16,07,000	6,98,000
2. Interest on advances to the Imperial Bank of Persia for the purpose of the Persian Government	2,27,710	2,19,900	2,11,700			
3. Interest on investment in Special Reserve	35,04,130	...	...			
4. Miscellaneous	4,520	4,630	7,030			
5. Assets of Gold Standard Reserve in excess of £40 millions	...	...	...	...	...	1,05,83,000
TOTAL ENGLAND	73,61,940	21,03,110	25,02,143	3,03,000	16,07,000	1,12,81,000
EXCHANGE	...	...	12,86,888	...	8,04,000	56,41,000
TOTAL RECEIPTS	1,51,62,730	87,39,622	1,11,00,700	84,31,000	1,04,11,000	2,50,96,000
Loans by the Central Government outstanding on 31st March	9,23,69,626	9,08,72,250	9,10,19,485	9,01,70,250	8,91,20,485	8,84,53,485

India.

31. The variations do not call for remark.

England.

32. Owing to the large sterling loans issued during the year, the cash balances of the Secretary of State available for investment have been higher than anticipated in the Budget and the Revised estimate for the current year exceeds the Budget by ₹13·04 lakhs. The balances are expected to be smaller in 1923-24 and the Budget for that year has been taken at ₹9·09 lakhs less than the Revised. On the other hand, it proposed to credit to revenue the assets of the Gold Standard Reserve in excess of £40 millions and the Budget for 1923-24 includes a credit of ₹1,05·83 lakhs on this account exclusive of exchange, or a total credit inclusive of exchange of ₹1,58·74 lakhs.

19 AND 20—INTEREST EXPENDITURE AND 21.—SINKING FUNDS.

—	Actuals, 1919-20.	Actuals, 1920-21.	Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	Budget, 1923-24.
	R	R	R	R	R	R
Interest on Debt other than that charged to Commercial Departments and Provincial Governments—						
Interest on total Debt—						
1. India	14,92,79,916	17,88,14,392	19,05,17,484	19,94,50,000	17,44,00,000	20,29,30,000
2. England	6,96,21,840	6,61,56,260	7,23,92,711	8,29,81,000	8,66,11,000	10,04,95,000
3. Exchange	...	...	3,70,80,095	...	4,33,06,000	5,02,48,000
Total	21,89,01,756	24,49,70,652	29,99,90,290	28,24,31,000	30,43,17,000	35,36,73,000
Deduct—Amounts charged to—						
(*a*) Railways:						
(*i*) India	*7,63,56,062*	*8,80,51,408*	*9,22,00,832*	*10,13,93,000*	*10,58,98,000*	*12,16,05,000*
(*ii*) England	*3,67,30,270*	*3,77,84,700*	*4,24,61,280*	*4,42,68,000*	*4,25,23,000*	*4,41,23,000*
(*iii*) Exchange	...	...	*2,16,85,936*	..	*2,12,62,000*	*2,20,62,000*
	11,30,86,332	*12,58,00,108*	*15,63,48 048*	*14,56,61,000*	*16,96,83,000*	*18,77,90,000*
(*b*) Irrigation:						
(*i*) India	*8,83,915*	*9,25,348*	*12,18,481*	*9,51,000*	*10,76,000*	*10,88,000*
(*ii*) England	*50,000*	*51,000*	...	...	...	...
	9,33,915	*9,76,348*	*12,18,481*	*9,51,000*	*10,76,000*	*10,88,000*
(*c*) Posts and Telegraphs.	...	...	*56,81,015*	*66,00,000*	*62,05,000*	*68,28,000*
(*d*) Provincial Governments	*2,71,36,535*	*2,81,76,443*	*2,58,41,800*	*2,99,73,000*	*3,10,54,000*	*4,00,15,000*
Total deduction	*14,11,56,782*	*15,49,52,899*	*18,90,89,344*	*18,31,85,000*	*20,80,18,000*	*23,57,21,000*
Interest on Ordinary Debt	7,77,44,974	9,00,17,753	11,09,00,946	9,92,46,000	9,62,99,000	11,79,52,000
Interest on other Obligations—						
1. India—						
On Savings Bank Balances	1,40,92,437	1,73,17,939	...	2,24,81,000	2,20,61,000	2,43,13,000
Other items	46,18,701	42,31,496	...	98,82,000	94,40,000	77,94,000
	1,87,11,138	2,15,49,435	2,60,97,497	3,23,63,000	3,15,01,000	3,21,07,000
2. England	...	...	...	...	60,000	36,000
3. Exchange	...	...	...	...	30,000	18,000
TOTAL	1,87,11,138	2,15,49,435	2,60,97,497	3,23,63,000	3,15,91,000	3,21,61,000
Carried over	9,64,56,112	11,15,67,188	13,69,98,443	13,16,09,000	12,78,90,000	15,01,13,000

19 AND 20=INTEREST EXPENDITURE AND 21.—SINKING FUNDS. *contd.*

—	Actuals, 1919-20.	Actuals, 1920-21.	Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	Budget, 1923-24.
	R	R	R	R	R	R
Brought forward .	9,64,56,112	11,15,67,188	13,69,98,443	13,16,09,000	12,75,90,000	15,01,13,000
Sinking Funds—						
1. India . . .	73,00,000	73,00,000	1,54,00,000	1,54,00,000	1,54,03,000	1,54,00,000
2. England . . .	50,00,000	50,00,000	50,00,000	50,00,000	50,00,000	44,29,000
3. Exchange . . .	...	...	25,71,571	...	25,00,000	22,15,000
TOTAL .	1,23,00,000	1,23,00,000	2,29,71,571	2,04,00,000	2,29,00,000	2,20,44,000
TOTAL .	10,87,56,112	12,38,67,188	15,99,70,014	15,20,09,000	15,07,90,000	17,21,57,000
Debt outstanding on 31st March—	£	£	£	£	£	£
Sterling Debt . .	192,681,082	191,329,245	205,128,482	224,257,445	236,679,482	251,820,282
Rupee Debt—						
Permanent Debt—	R	R	R	R	R	R
New Loan . . .	...	...	...	25,00,00,000	...	25,00,00,000
6 per cent. Bonds .	...	29,35,84,700	78,48,75,900	78,48,50,700	1,25,35,50,900	1,25,35,50,900
5½ per cent. War Bonds . . .	86,83,19,138	58,67,75,410	39,37,38,400	31,76,43,600	31,65,38,400	29,31,35,400
5 per cent. debt . .	45,96,52,000	45,28,51,700	43,48,64,175	41,50,33,700	41,57,00,175	39,80,20,175
4 per cent. ,, .	17,36,92,100	17,24,87,200	17,12,87,200	17,00,87,200	14,81,20,200	11,94,01,200
3½ per cent. ,, . .	1,19,07,99,465	1,19,12,88,891	1,19,18,45,533	1,19,18,56,891	1,19,25,27,533	1,19,28,27,533
3 per cent. ,, . .	6,61,57,750	6,55,80,050	6,49,05,450	6,48,80,050	6,41,05,450	6,37,55,450
Other debt . . .	1,00,13,500	1,00,13,500	1,00,13,488	1,00,13,500	1,00,13,488	1,00,13,488
Treasury Bills—						
Issued to public . .	42,89,00,000	43,67,10,000	53,96,70,000	42,34,10,000	21,05,70,000	15,55,70,000
Issued to Paper Currency Reserve . .	10,09,00,000	61,26,00,000	57,89,00,000	46,74,54,000	49,65,00,000	49,65,00,000
Savings Bank Balances .	41,19,82,242	44,99,23,394	49,90,71,997	54,72,71,394	54,09,94,997	59,42,00,997
Post Office Cash Certificates	5,75,31,356	4,77,78,756	4,34,35,524	2,34,34,756	3,12,35,524	2,65,35,524

Interest on Ordinary Debt.

Revised, 1922-23. 33. The gross charges on account of interest on debt show a saving of R1,96·04 lakhs as compared with the Budget after allowing for loss by exchange on the expenditure in England which the Budget did not include. Though the borrowings both in India and in England have been larger than the amounts budgeted for, a full half year's interest in respect of the greater part of these does not fall due within the current year. The success of these borrowings has, moreover, made it possible to fund a substantial portion of the floating debt and the payment of interest for short periods in respect of the loans raised during the year is much less than that which would have been payable for the replacement of the treasury bills discharged.

Budget, 1923-24. 34. In the Budget for 1923-24 provision has been made for a full year's interest on the rupee loan of R47 crores and the sterling loans of £32½ millions raised in the current year. A sum of R80 lakhs has been set aside for the service of the rupee loan and £475,000 for the service of the sterling loan to be floated in the coming year and R3,13 lakhs for discount on treasury bills; of the latter, R2,20 lakhs will be required for the replacement of the Indian treasury bills held in the Paper Currency Reserve. The balance of R93 lakhs will be available for meeting the discount on the treasury bills which it is anticipated will be sold to the public during the course of 1923-24 in partial replacement of those issued in the current year. Allowance has been made for the discharge of the War Bonds, 1923, amounting to R1½ crores and the terminable loan of 1915-16 amounting to R2¾ crores, both of which are due for payment next year, and provision has been entered in England for the dividends due on the undischarged balance of India's share of the British war debt.

Transfers to Commercial Departments and Provincial Governments. 35. The amount of interest transferred to the accounts of the commercial departments depends, firstly, on the capital expenditure; secondly, on the actual payment of interest on that portion of the debt which has been incurred specifically on account of the construction or purchase of Railways; and, thirdly, on the rate at which interest is charged on that portion of the debt which has not been specifically raised for the above or other purpose. The present procedure is to charge to railways, posts and telegraphs and irrigation works, in respect of that portion of the debt which has not been incurred specifically for these works, interest on capital expenditure incurred to the end of 1916-17 at the rate of interest specified in the Devolution Rules and interest on capital outlay in subsequent years at the average rate paid on borrowings in that period. The variation in the amount of interest to be transferred to railways and posts and telegraphs in the Revised estimates of *Revised, 1922-23.* the current year as compared with the Budget figures is the result of fluctuations in the rates of interest and in the capital outlay on which the interest is calculated. The increase in the Budget estimate of 1923-24 is almost wholly due to the progress of the capital expenditure. The Budget estimates *Budget, 1923-24.* of 1923-24 for recoveries from Provincial Governments allows for a full year's interest on the loans granted to them by the Central Government during the current year.

Interest on other Obligations.

Revised, 1922-23. 36. The discharge of Post Office Cash Certificates has not been on the scale anticipated and the payment of bonus will therefore be R14 lakhs less than the Budget for the current year. There will also be a decrease of

R3·30 lakhs in interest on Post Office Savings Bank deposits. The above savings will be partly set off by a payment of R1·30 lakhs on account of interest on the surplus proceeds deposited with the Government of India of the loan raised last year by the Government of the United Provinces and an arrear payment of interest on certain loans (R1·05 lakhs). The Budget for 1923-24 includes an increased provision for interest charges following on the growth of the balances of provident fund and other accounts. On the other hand, the payments of bonus on Post Office Cash Certificates are expected to be less than the Revised estimate for the current year by R16 lakhs. *Budget, 1923-24.*

Sinking Funds.

37. The variation in the Budget for 1923-24 as compared with the Revised estimate for the current year is due to the adoption of a system of equated payments for the discharge of the remaining portion of the liability assumed by India in respect of the British war debt. This does not, however, involve any material alteration in the aggregate amount of interest and sinking fund charges relating to this liability.

29.—POLITICAL.

	Actuals, 1919-20.	Actuals, 1920-21.	Actuals, 1921-22.	1922-23.		Budget, 1923-24
				Budget.	Revised.	
	R	R	R	R	R	R
India General . . .	1,85,67,638	2,07,60,998	19,61,412	72,21,000	67,83,000	65,79,000
Delhi	...	580	520	1,000	1,000	1,000
Baluchistan . .	32,54,513	36,56,704	37,50,391	42,25,000	39,69,000	40,64,000
North-West Frontier .	48,69,600	45,91,492	50,95,749	1,18,51,000	70,41,000	99,34,000
Madras . . .	1,50,862	1,83,889	1,81,301	1,56,000	1,51,000	1,64,000
Bombay	12,52,696	12,87,515	12,51,243	13,88,000	12,73,000	12,25,000
Bengal	25,963	34,916	21,905	34,000	23,000	17,000
United Provinces . .	1,80,165	1,78,333	1,93,651	1,97,000	1,99,000	2,01,000
Punjab	6,37,932	6,53,398	6,69,248	7,30,000	6,54,000	6,54,000
Burma	12,84,933	14,99,710	62,83,962	17,01,000	60,68,000	59,00,000
Bihar and Orissa . .	79,279	81,560	90,230	95,000	95,000	93,000
Central Provinces . .	35,218	44,307	40,045	35,000	35,000	1,27,000
Assam	3,27,824	3,84,096	17,80,389	4,35,000	17,81,000	18,24,000
Total .	3,06,66,623	3,33,07,498	2,13,20,046	2,80,69,000	2,80,73,000	3,07,83,000
Ergland .	7,07,100	9,80,370	8,20,122	8,30,000	6,51,000	4,72,000
Exchange .	...	...	4,21,801	...	3,26,000	2,36,000
Total .	3,13,73,723	3,42,87,868	2,25,61,969	2,88,99,000	2,90,50,000	3,14,91,000

Reised, 1922-23. 38. The Budget estimate of the North-West Frontier Province for the current year included a provision of R60·45 lakhs for special civil expenditure in connection with the Waziristan scheme. Owing, however, to a part of the expenditure being thrown forward to the next year, it is now estimated that the above provision will be utilised only to the extent of R25½ lakhs of which R14 lakhs will be recorded under this head and the balance under "Civil Works." The increases under Burma and Assam are nominal, being due to the exhibition under this head of the contributions to those Governments towards the charges on the North-East Frontier hitherto classified under "Miscellaneous Adjustments between the Central and Provincial Governments." The Budget Estimate for 1923-24 provides R91·30 lakhs for special civil expenditure in Waziristan of which R39 lakhs is included under this head and the balance under "Civil Works." Provision is also made for additional companies of the Zhob levy corps in Baluchistan and for the supply of arms and ammunition to the militias in the North-West Frontier Province.

Budget, 1923-24.

XXIX AND 40.—EXCHANGE.

	Actuals, 1919-20.	Actuals, 1920-21.	Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	Budget, 1923-24.
	R	R	R	R	R	R
Revenue . . .	...	...	...	...	...	
Expenditure . .	...	3,23,39,526	...	9,95,50,000	50,00,000	

39. Since the 1st April 1920, the accounts have been prepared on the basis of the rate of 2*s.* per rupee for the conversion of rupee transactions into sterling and *vice versâ*. The sterling value of the rupee has however fluctuated largely since that date, the average rate for the current year being expected to work out at slightly below 1*s.* 4*d.* In consequence of these variations from the 2*s.* rate, large sums have to be brought to account as credits or debits on account of exchange in respect of transactions involving remittances of funds to and from the Secretary of State.

40. The following table shows the debits for exchange in respect of remittance and allied transactions which are expected to be brought to account in the current and next years, the estimates for next year being based on the assumption of an average rate of exchange of 1*s.* 4*d.* during the year:—

	(In lakhs of Rupees.) 1922-23.	1923-24.
(*i*) Remittances from India for financing the Home Treasury	1,18	14,00
(*ii*) Bills and telegraphic transfers drawn by Mesopotamia for payment in India against recoveries in England	1,41	1,37
(*iii*) Excess in the assets of the Gold Standard Reserve over £40 millions, which are applicable to the reduction of created securities in the Paper Currency Reserve in India . . .	72	...
(*iv*) Purchase of sterling by the Secretary of State from local bodies against payment to the latter in India	81	...
(*v*) Sterling money order and other miscellaneous transactions	1,07	98
Total .	5,19	16,35

41. The increase against item (*i*) in the Budget for next year is due to the fact that the treasury balances in England will require assistance from India to the extent of £25 millions against £2½ millions only in the current year. There is no entry in the Budget against item (*iii*) as the excess in the assets of the Gold Standard Reserve over £40 millions is proposed to be cre-

dited to Revenue in 1923-24. The Revised estimate against item (*iv*) is explained by the fact that certain local bodies raised sterling loans in England and were paid the rupee equivalent in India against the transfer of the proceeds of the loans to the Secretary of State.

42. The procedure adopted hitherto for the allocation between different heads of exchange gains and losses has been as follows. All exchange gains and losses arising in respect of remittance transactions are recorded in the first instance under a suspense head; the portion attributable to the revenue and capital accounts in respect of outlay incurred in England is calculated every month on the basis of the average of the daily telegraphic transfer rates from Calcutta on London and transferred to these accounts; and it is considered with reference to the circumstances of each year whether the balance remaining under the suspense head after these transfers are made should be written off to revenue or kept in suspense against the possibility of opposite results in succeeding years. The portion of the exchange gain or loss attributable to the revenue account which relates to outlay in England on behalf of commercial services (Railways, Irrigation works and Posts and Telegraphs) and to expenditure of Provincial Governments is debited to the commercial heads and Provincial Governments concerned, the balance of the gain or loss pertaining to the revenue account being shown under the general revenue or expenditure head "Exchange". With effect, however, from the accounts for 1921-22, the exchange relating to the revenue account is being distributed over the individual heads of revenue and expenditure concerned, both commercial and non-commercial, and there should, therefore, ordinarily be no entry against the revenue or expenditure head "Exchange".

43. The Revised estimates for the current year were framed on the assumption of an average rate of exchange of 1*s.* 4*d.* during the current year, but as the average rate for the year is now expected to be slightly less, the aggregate difference amounting to R50 lakhs in respect of the net expenditure in England in the current year has been entered in lump under the expenditure head "Exchange" in the Revised estimate so as not to disturb the estimates already worked out under the several heads of account.

44. The following table shows the amounts chargeable to the revenue, capital and other heads during the current and next years on account of losses from exchange and the balance remaining under the suspense head after such allocation:—

(In lakhs of Rupees.)

	1922-23.	1923-24.
Transferred to—		
Capital heads (Railways and Delhi)	5,43	9,55
Provincial Governments	1,10	1,14
Revenue account (net as detailed in statements A and B)	15,62	14,37
Total transfers .	22,15	25,06
Appropriation of loss to revenue and capital in excess of actual loss on remittances	16,96	8,71
Net credit under suspense head for two years together .	25,57	

45. Taking into account a debit of R11,48 lakhs which remained outstanding under the suspense head at the end of 1921-22, it is expected that there will be an outstanding credit balance of R14,19 lakhs at the end of 1923-24 awaiting clearance in subsequent years.

XXXVI AND 48.—ARMY.

—	Actuals, 1919-20.	Actuals, 1920-21.	Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	Budget, 1923-24.
EXPENDITURE.	R	R	R	R	R	R
India—						
Part A—Standing Army.						
Effective Services.						
Maintenance of the Standing Army.			31,54,57,826	32,53,12,840	30,59,03,000	31,30,55,530
Cost of Educational, etc., establishments and working expenses of Hospitals, Depots, etc.			11,86,56,841	8,41,66,420	8,38,48,000	8,72,92,700
Army Headquarters, Staff of Commands, etc.	71,50,23,628	67,53,52,602	2,50,64,010	1,84,08,200	2,03,81,000	2,02,82,720
Stock Account . . .			—7,32,55,962	32,25,920	—2,73,94,000	—3,11,41,500
Special Services . .			8,40,35,780	1,98,64,190	5,01,06,000	1,42,11,530
Miscellaneous Charges .			1,09,57,648	2,99,21,930	2,44,73,000	1,85,64,970
Unadjusted Expenditure .	—15,76,279	35,45,549	...	...	...	...
TOTAL—*EFFECTIVE* R	71,34,47,549	67,88,98,151	48,09,16,343	48,07,96,500	45,73,12,000	42,22,66,000
NON EFFECTIVE SERVICES R	1,51,77,280	2,48,11,966	3,65,55,901	5,53,69,500	5,89,32,000	5,48,27,000
Exchange on Home expenditure.	3,27,31,820	5,45,96,910	5,96,05,751	...	...	...
Part B.—Auxiliary and Territorial Forces. R	...	...	69,40,941	1,18,86,000	1,06,46,000	1,07,54,000
Part C.—Royal Air Force R	...	...	71,28,591	1,11,30,000	1,25,84,000	1,34,54,000
TOTAL INDIA R	76,43,56,649	75,88,07,027	59,11,47,527	55,91,85,000	53,94,74,000	50,13,01,000
EXPENDITURE.	£	£	£	£	£	£
England— Part A—Standing Army.						
Effective Services. Maintenance of the Standing Army.	3,563,204	3,223,355	4,051,609	4,287,700	3,247,200	2,937,500
Cost of Educational, etc., establishments and working expenses of Hospitals, Depots, etc.	...	165,179	669,788	752,400	820,700	191,700
Army Headquarters, Staff of Commands, etc.	...	...	2,508	...	53,000	51,000
Stock Account . . .	...	2,395,847	2,011,176	1,441,100	1,493,400	1,441,300
Carried over . £	3,563,204	5,784,381	6,735,081	6,481,200	5,614,300	4,621,500
Carried over . R	76,43,56,649	75,88,07,027	59,11,47,527	55,91,85,000	53,94,74,000	50,13,01,000

XXXVI AND 48—ARMY—*contd.*

—		Actuals, 1919-20.	Actuals, 1920-21.	Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	Budget, 1923-24.
		£	£	£	£	£	£
Brought forward	R	76,43,56,649	75,83,07,027	59,11,47,527	55,91,85,000	58,94,74,000	50.13,01,000
	£	3,563,204	5,784,381	6,735,981	6,484,200	5,614,300	4,621,500
Special Services		...	899,104	241,184	...	1,050,400	415,000
Miscellaneous Charges		...	1,049,752	930,082	1,038,700	652,900	633,500
TOTAL—*EFFECTIVE*	£	3,563,204	7,733,237	7,906,347	7,519,900	7,317,600	5,670 000
NON-EFFECTIVE SERVICES	£	2.983,160	3,186,145	3,336 836	3,752,700	3,453,000	3,563,000
Part C.—Royal Air Force		...	...	346,183	297,700	933,100	486,500
TOTAL ENGLAND	£	6,546,364	10.919,382	11,589,366	11,569,600	11,703,700	9,719,500
	R	6,54,63,640	10,91,93,820	11,58,93,660	11,56,96,000	11,70,37,000	9,71,95,000
TOTAL—EXPENDITURE	R	82.98,20,289	86,75,00,847	70,70,41,187	67,48,81.000	65,65,11,000	59.84,96,000
RECEIPTS.							
India . . .	R	3,18,80 561	5 33 19,374	4,91,87,122	4,71,71,000	3,41,81,000	2,27,51,000
England . . .	£	294,386	364.866	2.323.538	938,000	849 5 0	397,800
	R	29,43,860	36,48,660	2,32,35,380	93,80,000	84,95,000	39,78,000
TOTAL RECEIPTS	R	3,48,24,421	5,69,68,034	7,24,22,502	5,65,51,000	4,26,76,000	2,67,29,000
TOTAL NET EXPENDITURE	India R	78,24,76,088	70,49,87,653	54,19,60,405	51,20,14,000	50,52,93,000	47,85,50,000
	England R	6,25,19,780	10,55,45,160	9,26,58,280	10,63,16,000	10,85,42,000	9,32,17,000
	TOTAL R	79,49,95,868	81,05,32,813	63,46,18,685	61,83,30,000	61,38,35,000	57,17,67,000

NOTE.—Exchange on Home charges and receipts (i.e., difference between sterling figures converted at £1=R15 and £1=R10) has been added throughout to the Indian figures, the additions from 1922-23 being made to the various sub-heads.

Revised, 1922-23, compared with Budget, 1922-23.

46. The net Army expenditure in 1922-23 is now estimated at Rs. 61,38·35 lakhs against a corresponding Budget provision of Rs. 61,83·30 lakhs. The reduction of Rs. 44·95 lakhs is made up of a decrease of Rs. 67·21 lakhs in expenditure in India and an increase of Rs. 22·26 lakhs in expenditure in England.

India.

47. The decrease of R67·21 lakhs in India is the net result of several variations up and down, the more important of which are given below :—

(Lakhs of Rupees.)

Decrease.

(*i*) Continued shortage in strengths of fighting and ancillary services	1,34
(*ii*) Reduction in the charges of hospitals owing to a fall in the rate of sickness and in the cost of diets	60
(*iii*) Fall in prices of foodstuffs and other consumable military stores and larger consumption of surplus stocks	1,30
(*iv*) Lapse in the grant for the Territorial Force	19
(*v*) Larger receipts from sale of ordnance and other stores	25
(*vi*) Utilisation of a portion of the provision made for the purchase of stores in the Indian Section of the Royal Air Force Budget, as well as of the unallotted reserve in the Budget, for the purchase of aviation stores in England	31
	3,80

(Lakhs of Rupees.)

Increase.

(*i*) Larger loss by exchange on expenditure in England, due to increase in the latter as compared with the Budget provision	11
(*ii*) Increase in expenditure on Waziristan occupation and operations, owing to a continuance of unsettled conditions	1,40
(*iii*) Expenditure on maintenance and retirement of surplus officers and troops	1,21
(*iv*) Increase in Non-effective charges	5
	3,22
— Net decrease	68

48. The principal items contributing to the increase of R23·26 lakhs in England are :— *England.*

(Lakhs of Rupees.)

Increase.

(*i*) Payment to His Majesty's Government of a share of cost of disbandment of British troops which had become surplus consequent on reductions in the Indian establishment	80
(*ii*) Larger expenditure on stores, met by transfers from Indian estimates	18
(*iii*) Increase in pension charges	4
	1,02

(Lakhs of Rupees.)

Decrease.

(*i*) Smaller expenditure on furlough and leave allowances	23
(*ii*) Smaller payment of marriage allowances and allotments to families of British soldiers and airmen	22
(*iii*) Lapse of the provision for non-recurring payment to the War Office in respect of exchange concession in connection with the issue of sterling war gratuities in certain cases, as a settlement is not likely to be arrived at in the matter in 1922-23	25
(*iv*) Smaller expenditure in England in connection with the retirement of surplus officers of the Indian Army to be retired	9
	79
Net increase	23

49. Of the sum of R62 crores allotted in the Budget for 1923-24 to meet the net expenditure on Military Services, R57,17·67 lakhs will be available for expenditure under the "Army" head, made up of R47,85·50 lakhs for expenditure in India and R9,32·17 lakhs in England. The former figure includes R4,66·09 lakhs on account of Exchange on net expenditure in England and R100·5 lakhs for special expenditure in Waziristan. The English expenditure includes £415,000 for the retirement of surplus officers of the Indian Army. *Budget, 1923-24.*

Budget, 1923-24, compared with Budget, 1922-23.

50. As compared with Budget for 1922-23, there is a decrease of R4,65·63 lakhs made up of R3,34·64 lakhs in India and R1,30·99 lakhs in England.

51. As compared with the Revised estimate for 1922-23, there is a decrease of R4,20·68 lakhs of which R2,67·43 lakhs occurs in India and R1,53·25 lakhs in England.

XXXVII AND 49—MARINE.

		Actuals, 1919-20.	Actuals, 1920-21.	Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	Budget, 1923-24.
EXPENDITURE.							
India . . .	R	1,16,88,595	1,11,87,620	1,31,11,067	1,10,70,000	1,02,53,000	71,46,000
England . . .	£	889,655	573,488	406,556	465,200	259,400	249,000
	R	88,96,550	57,34,883	40,65,560	46,52,000	25,94,000	24,90,000
Total Expenditure .	R	2,05,85,145	1,69,22,503	1,71,76,627	1,57,22,000	1,28,47,000	96,36,000
RECEIPTS.							
India	R	40,72,325	79,56,768	55,91,868	20,23,000	35,85,000	21,29,000
England . . .	R	...	...	5,33,790	...	...	...
NET EXPENDITURE . India	R	76,16,270	32,30,852	75,19,199	90,47,000	66,68,000	59,17,000
NET EXPENDITURE . England	R	88,96,550	57,34,883	35,31,770	46,52,000	25,94,000	24,90,000
NET EXPENDITURE . Total	R	1,65,12,820	89,65,735	1,10,50,969	1,36,99,000	92,62,000	75,07,000

NOTE.—Exchange on Home charges and receipts (*i.e.*, difference between sterling figures converted at £1=R15 and £1=R10) has been added throughout to the Indian figures.

Revised, 1922-23, compared with Budget, 1922-23.

52. The reduction in net expenditure of R44·37 lakhs which is now anticipated is explained below :—

	(Lakhs of Rupees.)
(*i*) Recoveries from His Majesty's Government in respect of hire of Royal Indian Marine vessels employed on transport work for them	14
(*ii*) Smaller expenditure in England chiefly on account of purchase of stores	20
(*iii*) Decrease in Exchange on Home expenditure, consequent on a reduction in the latter	10
	44

Budget, 1923-24, compared with Budget, 1922-23, and Revised, 1922-23.

53. Budget for 1923-24 has been fixed at R75·07 lakhs, and is R61·92 lakhs less than the Budget for 1922-23 and R17·55 lakhs less than the Revised estimate for that year. The reduction is mainly due to absence of provision for the three Royal Indian Marine transports which, it is intended to scrap, and to other measures of retrenchment.

XXXVIII AND 50.—MILITARY WORKS.

		Actuals, 1919-20.	Actuals, 1920-21.	Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	Budget, 1923-24.
EXPENDITURE.							
India	R	5,87,18,959	5,47,28,975	5,18,29,610	4,65,42,000	4,98,76,000	4,18,50,000
England	£	117,609	127,255	121,944	48,500	174,500	50,500
	R	11,76,090	12,72,559	12,19,440	4,85,000	17,45,000	5,05,000
TOTAL	R	5,98,95,049	5,60,01,534	5,30,49,050	4,70,27,000	5,16,21,000	4,23,55,000
RECEIPTS.							
India	R	16,27,429	16,86,464	21,45,676	15,30,000	38,40,000	16,20,000
TOTAL NET EXPENDITURE. India	R	5,70,91,530	5,30,42,511	4,96 83,934	4,50,12,000	4,60,36,000	4,02,21,000
England	R	11,76,090	12,72,559	12,19,440	4,85,000	17,45,000	5,05,000
TOTAL	R	5 82,67,620	5,43,15,070	5,09,03,374	4,54,97,000	4,77,81,000	4,07,26,000

NOTE.—Exchange on Home charges (i.e., difference between sterling figures converted at £1 = R15 and £1 = R10) has been added throughout to the Indian figures.

54. The increase of R22·84 lakhs in net expenditure is mainly due to larger outlay on roads, etc., in Waziristan, which is now likely to amount to R72 lakhs against R40 lakhs provided in the Budget, partly counterbalanced by an increase in receipts from sale of lands, etc. *Revised, 1922-23, compared with Budget, 1922-23.*

55. Of the net grant of R62 crores for military services for 1923-24, it is proposed to allot R4,07·26 lakhs to Military Works Services. This provision includes R69 lakhs for special expenditure in Waziristan. The decrease of R47·71 lakhs as compared with the Budget provision for 1922-23 is made up of (1) an increase of R29 lakhs in the grant for special works in Waziristan, (2) a reduction of about R55 lakhs in the scale of works in India, (3) the transfer to the Royal Air Force Section of the Army estimates for provision for works expenditure connected with the Force for which about R12 lakhs were included in the Budget for 1922-23, and (4) a reduction of R10 lakhs in the stocks of stores. *Budget, 1923-24, compared with Budget, 1922-23.*

56. Budget for 1923-24 is less than the Revised estimate for 1922-23 by R70·55 lakhs. *Budget, 1923-24, compared with Revised, 1922-23.*

MILITARY SERVICES: SUMMARY.

		Actuals, 1919-1920.	Actuals, 1920-1921.	Actuals, 1921-1922.	1922-1923. Budget.	1922-1923. Revised.	Budget, 1923-1924.
EXPENDITURE.							
India . . .	R	83,47,64,203	82,42,23,622	65,60,88,204	61,67,97,000	59,96,03,000	55 02,97,000
England . . .	£	7,553,628	11,620,125	12,117,866	12,083,300	12,137,600	10,019,000
	R	7,55,36,280	11,62,01,259	12,11,78,660	12,08,33,000	12,13,76,000	10,01,90,000
Total Expenditure .	R	91,03,00,483	94,04,24,881	77,72,66,864	73,76,30,000	72,09,79,000	65,04,87,000
RECEIPTS.							
India . . .	R	3,75,80,315	6,29,62,606	5,69,24,666	5,07,24,000	4,16,06,000	2,65,09,000
England . . .	£	294,386	364,866	2,376,917	938,000	849,500	397,800
	R	29,43,860	36,48 660	2,37,69,170	93,80,000	84,95,000	39,78,000
Total Receipts .	R	4,05,24,175	6,66,11,266	8,06,93,836	6,01,04,000	5,01,01,000	3,04,87,000
NET EXPENDITURE. India .	R	79,71,83,888	76,12,61,016	59,91,63,538	56,60,73,000	55,79,97,000	52,37,88,000
NET EXPENDITURE. England	R	7,25,92,420	11,25,52,599	9,74,09,490	11,14,53,000	11,28,81,000	9,62,12,000
NET EXPENDITURE. Total .		86.97,76,308	87.38,13,615	69,65,73,028	67 75,26,000	67,08.78,000	62,00,00,000

57. In the Budget estimate for 1922-23, a grant of R67,75·26 lakhs was allotted for net expenditure on military services. This figure was made up as follows :—

	Lakhs of rupees.
(1) For special expenditure in Waziristan	2,13,00
(2) For retirement of surplus officers	52,50
(3) For established charges of the Army (net) . . .	65,09,76
	67,75,26

58. The Revised estimate falls short of the Budget provision by R66·48 lakhs. Special expenditure in Waziristan will exceed the Budget allotment by R1,72 lakhs owing to a continuance of unsettled conditions and a larger outlay on the construction of roads. The expenditure on the retirement of surplus officers and demobilization of surplus troops will be higher by R2,28 lakhs, in consequence of an accelerated progress with the retirement of surplus officers and the payment to the War Office of India's share of the charges connected with the disbandment of British troops which had become surplus consequent on reductions in the Indian establishment. On the other hand,

the established charges (net) will be less than the Budget provision by about R4¾ crores owing chiefly to a continued shortage of personnel in the fighting and other services (1,34 lakhs); smaller payments in England on account of leave allowances and marriage allowances of British troops (67 lakhs); fall in prices of foodstuffs and other consumable military stores and larger consumption or disposal of stocks (2,10 lakhs); fall in the sick rate among soldiers and in the cost of diets (60 lakhs); lapse of the provision for payment to the War Office in respect of exchange concession in connection with the issue of sterling war gratuities to British troops in certain cases (38 lakhs); and a saving in the grant for the Territorial Force (10 lakhs). Non-effective charges will, however, exceed the Budget estimate by R56 lakhs. In these explanations sterling expenditure has been converted into rupees at £1=R15.

59. A grant of R62 crores has been allotted for net expenditure on Military Services in 1923-24 made up as follows :—

	Lakhs of rupees.
(1) For special expenditure in Waziristan . . .	1,69·50
(2) For retirement of surplus officers and personnel . .	73·47
(3) For established charges of the Army (*net*) . . .	59,57·03
	62,00·00

60. The grant for the established charges allows for certain automatic reductions in expenditure owing to fall in prices, etc. It provides for consumption or disposal of surplus stores of various classes to the extent of about R2 crores; and it takes into account various economies which have already been introduced or are likely to be introduced in the course of the ensuing year.

61. The proposed grant for net expenditure on Military Services in 1923-24 is less than the Budget for 1922-23 by R5,75·26 lakhs, and less than the Revised estimate for 1922-23 by R5,03·78 lakhs.

WAYS AND MEANS.

HOME TREASURY.

62. The bulk of the payments made in England on account of the Government of India consists normally of expenditure chargeable to the Indian revenues; and if such payments represented the only transactions, the Ways and Means programme would be a simple arrangement, as the whole of the expenditure would ordinarily be met by remittance of funds from India. The capital outlay on the construction of railways, however, necessitates heavy borrowing and a large portion of the money required has, when practicable, been raised in England, either direct or through the agency of Companies. Operations, connected with the Gold Standard and Paper Currency Reserves, and with the replacement of one particular form or item of direct or indirect debt by another further largely swell the receipts and charges of the Home treasury without affecting ordinarily the general Ways and Means programme. Recoveries are also being effected by the Secretary of State against the drawings of the Iraq administration on India, and to a smaller extent against disbursements made in India on behalf of His Majesty's Government. These recoveries represent in effect remittances from India to finance the Home treasury and reduce the amount of direct remittances which would otherwise be necessary.

63. The following is a summary of the transactions appearing in the Budget and Revised estimates of the Home Treasury for 1922-23, and in the Budget estimate of 1923-24 :—

	Budget, 1922-23.	Revised, 1922-23.	Budget, 1923-24.
RECEIPTS.	£	£	£
(1) Capital contributed by Railway Companies—			
For discharge of debentures . . .	175,000	—221,500	...
(2) Deposits and Advances	—82,400	141,900	—358,000
(3) Remittance Account between England and India—			
(*a*) War transactions : Recoveries from War Office.	5,600,000	1,859,500	1,200,000
(*b*) Postal and Money Order transactions .	750,000	350,000	450,000
(*c*) Recoveries on account of drawings by Iraq administration on India.	6,000,000	2,664,000	2,750,000
(*d*) Transfer to Home Treasury from Gold Standard Reserve.	10,500,000	...	...
(*e*) Transfer to Home Treasury from Paper Currency Reserve.	5,846,800	...	...
Carried over .	28,789,400	4,793,900	4,042,000

	Budget, 1922-23.	Revised, 1922-23.	Budget, 1923-24.
RECEIPTS—*contd.*	...	...	...
Brought forward .	23,789,400	4,793,900	4,042,000
(*f*) Purchase of sterling from local bodies .	...	1,501,400	...
(*g*) Other transactions	1,498,100	1,090,500	18,800
Total Receipts, excluding Council Bills and Loans.	30,287,500	7,385,800	4,060,800
DISBURSEMENTS.			
(4) Excess of Expenditure of the Central Government over Revenue.	30,338,800	30,252,100	28,742,300
(5) Expenditure incurred on behalf of Provincial Governments.	2,394,400	2,198,100	2,288,600
(6) Capital Expenditure not charged to Revenue—			
(*a*) Outlay on State Railways . . .	18,460,000	10,448,000	19,000,000
(*b*) Outlay on Irrigation Works and Delhi	181,000	185,800	85,800
Total Disbursements .	51,374,200	43,084,000	50,116,700
NET DISBURSEMENTS	21,086,700	35,698,200	46,055,900
Financed as follows—			
Remittances from India	..	...	28,000,000
Debt incurred	18,328,200	31,551,000	15,140,800
Council Bills	...	2,570,000	...
Reduction of cash balance	2,758,500	1,577,200	2,915,100
Total .	21,086,700	35,698,200	46,055,900
Opening Balance	7,004,800	8,995,300	7,418,100
Closing Balance	4,246,300	7,418,100	4,503,000

64. The Revised estimate for the current year provides for a total disbursement by the Secretary of State and the High Commissioner for India of £43·1 millions, the main items being (*i*) £30·3 millions on account of net expenditure of the Central Government in England in excess of revenue, (*ii*) £2·2 millions, representing expenditure on behalf of Provincial Governments chargeable to their balances on deposit with the Central Government in India, and (*iii*) £10·4 millions on account of Railway capital outlay. *Revised, 1922-23.*

65. Apart from public borrowings and drawings by Council Bills, the resources available for meeting the above disbursements total £7·4 millions, namely, (*i*) £1·9 million recovered from the War Office on account of disbursements made on their behalf in India and Mesopotamia; (*ii*) £2·7 millions recovered from the Colonial Office against drawings by the High Commissioner of Mesopotamia which have been met in India; (*iii*) £1·5 million paid to the Secretary of State by certain local bodies in India who raised sterling loans in England and received the rupee equivalent from Government in India; and (*iv*) £1·3 million representing various miscellaneous receipts.

66. The disbursements mentioned above exceed the resources by £35·7 millions, and the deficiency has been met almost entirely from public borrowings. The Secretary of State floated two sterling loans in the current year, a 5½ per cent. loan for £12½ millions at 4 per cent. discount and a 4½ per cent. loan for £20 millions at 15 per cent. discount. He also received about £2½ millions being the balance of the proceeds of the 5½ per cent. loan of £10 millions floated in December 1921. The aggregate loan receipts thus amount to £31·5 millions. Advantage was also taken of the strengthening of exchange in the beginning of January 1923 to place the Secretary of State in funds by the sale of Council Bills. Six weekly sales were effected in January and February of amounts varying from 50 to 75 lakhs a week, and the sale proceeds for the year have totalled £2·6 millions. The Secretary of State will obtain the balance of his requirements from his cash balances which will stand at £7·4 millions on the 31st March 1923 against £9 millions at the beginning of the year.

67. The broad variations in the above programme from that contemplated in the Budget are as follows. The receipts from sterling borrowings were £13·2 millions more and the sale of Councils and the purchase of sterling from local bodies which could not be anticipated in the Budget brought in a further £2·6 and £1·5 millions respectively. The outlay on State Railways is also expected to be about £8 millions less than anticipated. On the other hand, recoveries from the War Office and those on account of Mesopotamian drawings were less by £3·7 and £3·8 millions respectively. The aggregate betterness of £18·3 millions resulting from these variations has not only obviated the necessity for any withdrawals by the Secretary of State from the Paper Currency and Gold Standard Reserves for which £16·3 millions were provided in the Budget, but also enabled him to close the year with a cash balance of £7·4 millions (*i.e.*), £3·2 more than that assumed in the Budget.

Budget, 1923-24.

68. The disbursements by the Secretary of State and the High Commissioner in the coming year are now estimated at £50·1 millions, namely, excess of expenditure of the Central Government over revenue £28·7 millions, expenditure on behalf of Provincial Governments £2·3 millions, Railway capital outlay £19 millions and capital outlay on Irrigation works and Delhi £0·1 million.

69. It is expected that the Secretary of State will recover £1·2 million from the War Office and £2·8 millions from the Colonial Office on account of disbursements on their behalf in India and Mesopotamia while miscellaneous receipts will amount to £0·1 million—a total of £4·1 millions.

70. The deficiency in resources is thus £46 millions. The estimates provide for its being met to the extent of (*i*) £28 millions by remittances from

India in one form or another, (*ii*) £15·1 millions by fresh sterling borrowings in England, and (*iii*) £2·9 millions by a reduction of the cash balances from £7·4 millions at the beginning of 1923-24 to £4·5 at its end. It is not possible to indicate at present the precise form which the remittances from India aggregating £28 millions will take as this must depend on circumstances from time to time during the year. The figure entered for sterling borrowings is also provisional and discretion is reserved to vary the amount according to circumstances.

71. The following are the details of the transactions of the Gold Standard Reserve in England :— *1922-23 and 1923-24. Gold Standard Reserve.*

	1922-23.		1923-24.
	Budget.	Revised.	Budget.
	£	£	£
RECEIPTS.			
(*a*) Dividends on investments, discount on treasury bills, interest on loans at short notice, etc. .	1,984 100	2,150,900	1,076,300
(*b*) Exchequer Bonds, British treasury bills and Colonial Government securities, etc., paid off .	118,850,100	139,091,200	140,991,000
TOTAL .	120,834,200	141,242,100	142,067,300
CHARGES.			
Investments made	108,350,100	139,787,200	141,009,000
Appropriation for the reduction of created securities in the Paper Currency Reserve in Budget 1922-23 and in Revised 1922-23 and to Revenue in Budget 1923-24 . .	1,984,100	1,454,900	1,058,300
Transfer to Treasury Balances . .	10,500,000	...	...
TOTAL .	120,834,200	141,242,100	142,067,300

72. The following statement shows the transactions and balances of the fund in the two years in England and India taken together :—

	Budget, 1922-23.	Revised, 1922-23.	Budget, 1923-24.
OPENING BALANCE—	£	£	£
(*a*) Invested (cost price) . .	39,409,500	39,445,700	40,141,700
(*b*) Uninvested— Cash in the Home treasury placed at short notice .	4,900	1,800	1,800
	39,414,400	39,447,500	40,143,500

	Budget, 1922-23. £	Revised, 1922-23. £	Budget, 1923-24. £
CLOSING BALANCE—			
In England—			
(*a*) Invested (cost price) . .	28,909,500	40,141,700	40,159,700
(*b*) Uninvested—			
Cash at the Bank of England	4,900	1,800	1,800
(*c*) Cash in India	10,500,000	...	...
	39,414,400	40,143,500 (*a*)	40,161,500 (*a*)
Difference between opening and closing balances representing Interest, etc., on investments in England *less* appropriation for the reduction of created securities in the Paper Currency Reserve, or to Revenue (*vide* preceding paragraph)	...	696,000	18,000

(*a*) These figures are based on the cost price of investments for the Reserve. The excess over £40 millions on the basis of current market prices will be appropriated for the reduction of created securities in the Paper Currency Reserve in 1922-23 and to revenue in 1923-24.

INDIA.

73 The following is a summary of the estimates of Ways and Means in India during 1922-23 and 1923-24 :—

	Budget Estimate, 1922-23.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
	R	R	R
RECEIPTS.			
1. Excess of Revenue of the Central Government over Expenditure charged to Revenue	21,17,60,000	12,99,86,000	29,55,09,000
2. Capital contributed by Railway Companies towards outlay on State Railways	8,75,000	—11,07,000	...
3. Unfunded Debt incurred—			
(a) Post Office Cash Certificates (net)	—2,00,00,000	—1,22,00,000	—47,00,000
(b) Savings Bank deposits (net)	5,07,15,000	4,36,31,000	5,50,95,000
4. Other Deposits and Remittances (net)—			
(a) Exchange on Remittance Accounts	11 56,99,000	16,96,05,000	8,70,80,000
(b) Appropriation for reduction of created securities in the Paper Currency Reserve	11,14,46,000	2,17,00,000	...
(b) Other transactions	1,90,09,000	57,84,000	2,61,44,000
5. Balances of Provincial Governments	—1,96,00,000	3,77,18,000	1,08,74,000
TOTAL RECEIPTS EXCLUDING LOANS	46,99,04,000	39,52,07,000	47,03,02,000
DISBURSEMENTS.			
6. Capital Expenditure not charged to Revenue—			
(a) State Railways	11,54,00,000	9,71,25,000	19,63,95,000
(b) Irrigation Works	2,69,000	1,99,000	22,000
(c) Posts and Telegraphs	1,45,00,000	1,10,36,000	94,30,000
(d) Initial expenditure on new Capital at Delhi	1,81,90,000	1,72,93,000	1,88,42,000
7. Permanent Debt discharged (net)	9,90,89,000	11,96,49,000	6,98,52,000
8. Floating Debt discharged—			
(a) Treasury bills issued to the public (net)	11,00,00,000	32,91,00,000	5,50,00,000
(b) ,, ,, ,, Paper Currency Reserve (net)	11,14,46,000	8,24,00,000	...
9. Loans to Provincial Governments (net)	5,50,00,000	11,43,11,000	13,46,77,000
10. Loans to Indian States, etc. (net)	—9,74,000	—15,99,000	—6,67,000
11. Remittance account between England and India—			
(a) Transfers through Currency	5,84,63,000	...	...
(b) Transfers through Gold Standard Reserve	10,50,00,000	...	...
(c) Remittances from India for financing Home Treasury	...	...	28,00,00,000
(d) Drawings by the Iraq administration recoverable in England	6,00,00,000	2,63,70,000	2,75,00,000
(e) Disbursements on behalf of the War Office (net)	4,38,00,000	1,90,00,000	1,20,00,000
(f) Other transactions (net)	1,81,91,000	4,12,53,000	85,88,000
12. Council Bills	...	2,57,00,000	
TOTAL DISBURSEMENTS	80,83,79,000	88,15,37,000	81,[illegible],000
NET DISBURSEMENTS	33,84,75,000	3,80,000	34,13,37,000
Financed as follows—			
Debt incurred	25,00,00,000	46,86,75,000	25,00,00,000
Reduction of (+) or addition to (—) Treasury Balances	8,84,75,000	1,76,55,000	9,13,37,000
TOTAL	33,84,75,000	48,63,30,000	34,13,37,000
Opening Balance	22,48,10,000	25,66,13,000	23,89,58,000
Closing Balance	13,63,35,000	23,89,58,000	14,76,21,000

74. The following table shows the estimates of total capital outlay of the Central Government, net expenditure of the Central Government charged to revenue, and net transactions of Provincial Governments in the current and next years, and their distribution between India and England :—

(In lakhs of rupees)

	Revised, 1922-23.			Budget, 1923-24.		
	India inclusive of adjustment for exchange.	England.	Total.	India inclusive of adjustment for exchange.	England.	Total.
(*i*) Capital outlay not charged to Revenue—						
(*a*) Railways	9,71	10,45	20,16	19,64	19,00	38,64
(*b*) Irrigation works	2	...	2	...	...	...
(*c*) Indian Postal and Telegraph Department	1,10	...	1,10	94	...	94
(*d*) New Capital at Delhi	1,73	18	1,91	1,88	9	1,97
Total	12,56	10,63	23,19	22,46	19,09	41,55
(*ii*) Net expenditure of Central Government charged to revenue	—13,00	30,25	17,25	—29,55	28,74	—81
(*iii*) Net drawings of Provincial Governments	—3,77	2,20	—1,57	—1,09	2,29	1,20
GRAND TOTAL	—4,21	43,08	38,87	—8,18	50,12	41,94

75. The estimates relating to England shown in the above table have been dealt with in connection with the Ways and Means position of the Secretary of State. Those relating to India will be found in the table in the preceding paragraph summarising the Ways and Means position in India. The total in Revised against item (*ii*) represents the uncovered revenue deficit of the Central Government estimated for that year.

76. The following table shows the assets available for the reduction of created securities in the Paper Currency Reserve in the two years :—

(In lakhs of rupees.)

	Revised, 1922-23.	Budget, 1923-24.
(1) Excess in assets of Gold Standard Reserve over £40 millions	1,45	...
(2) Adjustment for exchange on (1)	73	...
	2,18	...

77. The interest realised on the investments of the Paper Currency Reserve was earmarked for this purpose by the Indian Paper Currency Amendment Act, XLV of 1920; the Indian Finance Act, 1922, however, suspended this provision temporarily for the two years ending 31st March 1923 and the Indian Finance Act, 1923, has suspended it for one year more. Credit for the interest has accordingly been taken to revenue in the current

year's Revised and next year's Budget. When the Act of 1920 was before the Legislature, an undertaking was given on behalf of Government that the assets of the Gold Standard Reserve in excess of £40 millions would be applied to the same purpose, but it has now been decided to credit them also to revenue during the next year.

78. The actual cancellation of created securities effected during the year amounted to R8,24 lakhs; the excess of R6,06 lakhs over the amount stated above as earmarked for this purpose was found from general resources. In consequence of the decision to credit to revenue both the interest on investments in the Paper Currency Reserve and the assets of the Gold Standard Reserve in excess of £40 millions, no sums will be specifically available next year for the reduction of created securities. The holdings of Indian Treasury bills in the Paper Currency Reserve will stand at R49,65 lakhs at the close of this as well as the next year.

79. The following table summarises the disbursements in India in the current and next years as at present estimated :—

(In lakhs of rupees.)

	Revised, 1922-23.	Budget, 1923-24.
(*i*) Discharge of debt other than treasury bills	11,96	6,98
(*ii*) Discharge of treasury bills held by the public	32,91	5,50
(*iii*) Discharge of treasury bills held by the Paper Currency Reserve	8,24	...
(*iv*) Loans to Provincial Governments (net)	11,43	13,47
(*v*) Remittances from India for financing the Home Treasury	...	28,00
(*vi*) Payment of Council Bills	2,57	...
(*vii*) Disbursements on behalf of the War Office recoverable in England	1,90	1,20
(*viii*) Drawings by the Mesopotamian Administration against recoveries in England	2,64	2,75
(*ix*) Miscellaneous deposits, advances and remittances	1,30	—1,84
Total	72,95	56,06

80. The details of the entries against item (*i*) in the preceding paragraph are as follows :—

(In lakhs of rupees.)

	Revised, 1922-23.	Budget, 1923-24.
(*a*) Discharge of debt through purchases for sinking funds	1,92	1,77
(*b*) Annual instalment in repayment of Gwalior 4 per cent. loan of 1887	12	12
(*c*) War Bonds converted into current loan or discharged	7,72	2,34
(*d*) Discharge of 4 per cent. Terminable Loan	2,20	2,75
Total	11,96	6,98

81. The resources available in the two years for meeting the above disbursements are estimated as follows :—

(In lakhs of rupees.)

	Revised, 1922-23.	Budget, 1923-24.
(*i*) Proceeds of rupee loan in India . . .	46,87	25,00
(*ii*) Net receipts from Savings Bank deposits and Post Office cash certificates	3,14	5,04
(*iii*) Net credits from exchange adjustments—*vide* paragraph 44	16,96	8,71
(*iv*) Excess of revenue in India over expenditure including Provincial drawings (net)—*vide* paragraph 74	4,21	8,18
Total .	71,18	46,93

1922-23. Rupee loans.

82. The total receipts from the new rupee loan, subscriptions for which were received from the 3rd July to the 14th August 1922, amounted to ₹46,87 lakhs, inclusive of ₹1,04 lakhs from the post office section of the loan. War bonds, 1922 of a total value of ₹3,30 lakhs and treasury bills of a discounted value of ₹1,23 lakhs were received in payment of subscriptions to the loan. The gross receipts and payments on account of cash certificates are expected to amount to ₹78 lakhs and ₹2 crores respectively during the current year, the net payment thus amounting to ₹1,22 lakhs.

83. As in the case of the sterling borrowings, the entry relating to the proceeds of the rupee loan to be raised next year is provisional and Government reserves discretion to vary the borrowing programme during the year.

Post Office Savings Banks, etc.

84. The following table gives details of the transactions of Savings Banks and Provident Funds during a series of years, and the estimated transactions for 1922-23 and 1923-24 :—

Year.	Securities of Railway Companies' Provident Funds transferred to Government.	Net additions to deposits, cash.	Interest.	Total addition.
	₹	₹	₹	₹
1911-12	...	1,95,69,000	67,79,000	2,63,48,000
1912-13	...	1,68,26,000	73,79,000	2,42,05,000
1913-14	...	2,37,05,000	84,07,000	3,21,12,000
1914-15	...	—8,35,53,000	78,82,000	—7,56,71,000
1915-16	...	57,38,000	70,96,000	1,28,34,000
1916-17	...	1,35,61,000	77,07,000	2,12,68,000
1917-18	4,04,00,000	41,80,000	94,65,000	5,40,45,000
1918-19	3,38,37,000	2,47,14,000	1,26,65,000	7,12,16,000
1919-20	...	1,96,68,000	1,40,93,000	3,37,61,000
1920-21	...	2,06,23,000	1,73,18,000	3,79,41,000
1921-22	2,18,00,000	55,50,000	2,17,99,000	4,91,49,000
1922-23 (Revised) . .	...	1,98,62,000	2,20,61,000	4,19,23,000
1923-24 (Budget) . .	...	2,88,93,000	2,43,13,000	5,32,06,000

85. The Budget estimate assumed that there would be a net deposit of ₹1,00 lakhs into postal savings banks in the current year; it is now expected that there will be a net deposit of ₹41 lakhs. The Budget estimate for 1923-24 provides for a net deposit of ₹1,00 lakhs into postal savings banks and for a growth of ₹1,89 lakhs in the deposits in the various provident funds for Government servants and in the similar funds of railway companies.

86. The disbursements enumerated in paragraph 79 exceed the available resources detailed in paragraph 81 by ₹1,77 lakhs in the current year and ₹9,13 lakhs for next year. The cash balance in India at the end of 1922-23 will thus stand at ₹23,89 lakhs against ₹25,66 lakhs at the beginning of the year and will be reduced to ₹14,76 lakhs by the end of 1923-24. The outstandings of treasury bills with the public amounted to ₹53,97 lakhs on the 1st April 1922; it is expected that they will stand at ₹21,06 lakhs on the 31st March 1923 and at ₹15,56 lakhs on the 31st March 1924.

E. M. COOK.

The 29th March 1923.

APPENDIX I.

EXPLANATORY MEMORANDUM ON THE RAILWAY BUDGET FOR 1923-24.

In accordance with the undertaking given by Government last year in the debate on the Resolution regarding the adoption of the Railway Finance Committee's proposals in respect to the separation of the Railway Budget, this memorandum has been prepared in order to bring out and explain the main features of the railway budget as embodied in the Statements of Demands passed by the Legislature.

PART I.—CAPITAL.

Head of Account "53—Construction of State Railways."

2. In pursuance of the recommendation of the Railway Finance Committee composed of members selected from the Legislative Assembly and the Council of State, it was decided by the Legislative Assembly in March 1922 that the capital programme of railway expenditure should be fixed for five years in advance, provision being made for an expenditure of R30 crores per annum or a total of R150 crores during the quinquennium. The programme was to be strictly adhered to subject to the understanding that a war or other unforeseen contingency radically disturbing the money market might render it necessary to curtail the operations of any one year. The whole of this sum was to be devoted to the rehabilitation and improvement of the existing lines, special stress being laid on the improvement of the conditions of travel of third class passengers, and to the completion of lines already in hand. It was also decided that there was to be no lapse of money voted for any one year but not spent within the year, such sums being carried to the credit of the Railway Administrations from year to year to the end of the quinquennium. In accordance with this decision the programme for capital expenditure for the current year was framed for R30 crores. Owing principally to delay in the delivery of materials and to a smaller extent to fall in prices, the expenditure during the year is expected to fall short of the allotment made. In the latest estimate the expenditure is placed at R20·16 crores, thereby involving a lapse of R9·84 crores. Out of this a sum of R8·64 crores only (being the lapse anticipated in the second edition of the estimates) has been carried forward to the year 1923-24, and the remainder will be provided for during the next of the quinquennium. Apart from the special causes already mentioned, the failure to utilise the full grant available in the first year of the new policy is in a large measure attributable to the fact that Railway Administrations had insufficient time to frame their programmes and send forward the necessary orders for material. To this extent it is hoped that measures which have since been taken will provide for the grant being fully utilised in future. The grant for 1923-24 has, therefore, been fixed at Rs. 38·64 crores made up of—

		R	
(*i*) Ordinary grant for the year	. . . . .	30·00	crores.
(*ii*) Carried forward from 1922-23	. . . .	8·64	„
	Total .	38·64	„

3. The details of the total capital expenditure on State Railways worked by the State and Companies in each of the three years from 1921-22 to 1923-24 are as follows : —

Items.		Actuals, 1921-22.	1922-23. Budget.	1922-23. Revised.	1923-24, Budget.
(a) England	£	13,564,663	18,460,000	10,448,000	19,000,000
	R	13,56,46,629	18,46,00,000	10,44,80,000	19,00,00,000
(b) India	R	2,42,12,734	2,31,00,000	4,48,85,000	10,13,95,000
	R	15,98,59,363	20,77,00,000	14,93,65,000	29,13,95,000
Exchange	R	6,97,79,572	9,23,00,000	5,22,40,000	9,50,00,000
Total	R	22,96,38,935	30,00,00,000	20,16,05,000	38,63,95,000

4. The following table compares the allotments made for open lines and lines under construction in 1923-24 with figures for previous years :—

Items.	Actuals, 1921-22.	Revised, 1922-23.	Budget, 1923-24.
	R	R	R
(1) Open lines including rolling stock	14,55,97,363	12,87,30,000	26,33,48,000
(2) Lines under construction —			
(a) Started in previous year	1,40,38,000	1,95,71,000	2,80,47,000
(b) Started in current year	2,24,000	10,64,000	...
	15,98,59,363	14,93,65,000	29,13,95,000
Exchange	6,97,79,572	5,22,40,000	9,50,00,000
Total	22,96,38,935	20,16,05,000	38,63,95,000

5. The details of the budget grant for 1923-24 by railways are shown below:—

(In thousands of rupees.)

Railway.	Open Lines.			Construction of	
	Rolling Stock.	Other items.	Total.	Lines in progress.	New lines.
State Railways Worked by State.	R	R	R	R	R
1. North-Western Railway:—					
(i) Main line	1,94,81	75,67	2,70,48		
(ii) Nushki extension	...	6,00	6,00		
(iii) Khyber Railway	...	...	...	53,37	
2. Delhi (New Capital) Railway Works Scheme.	...	26,00	26,00		
3. Eastern Bengal	61,00	40,00	1,01,00		
4. Oudh and Rohilkhand	55,83	37,33	93,16		
5. Aden Railway	31	39	70		
6. Jodhpur-Hyderabad (British Section)	...	2,87	2,87		
7. Stores Transactions	...	...	...		
Total	3,11,95	1,88,26	5,00,21	53,37	...
State Railways Worked by Companies.					
9. Assam Bengal (including land)	39,13	—1,67	37,46		
10. Bengal-Nagpur:—					
(i) Open line	1,18,50	1,34,92	2,53,42		
(ii) Amda-Jamda	...	...	...	23,33	
(iii) Barmo Duneya Section	...	...	...	3,63	
(iv) South Karanpura Coal Fields	...	...	...	11,41	
(v) Talchir Coal Fields	...	...	...	45,00	
(vi) Hesa Chandil	...	...	...	45,00	
11. Bezwada Extension	...	3,86	3,86		
12. Bombay, Baroda and Central India:—					
(i) Main line	1,02,98	1,46,57	2,48,50		
(ii) Dholka-Dhanduka	...	...	...	4,76	
13. Burma:—					
(i) Main line	14,69	15,04	29,73		
(ii) Pegu-Moulmein and Henzada-Kyaugin Extensions.	21,53	1,25	22,78		
(iii) Southern Shan States Railway.	...	75	75		
14. East Indian:—					
(i) Open line	2,48,56	42,05	2,90,61		
(ii) Bernano Duneya Section	...	...	...	2,52	
(iii) South Karanpura Coal Fields	...	...	...	10,34	
	5,44,34	3,42,77	8,87,11	1,50,99	
Carried over	3,11,95	1,88,26	5,00,21	53,37	...

(In thousands of rupees.)

Railway.	Open Lines.			Construction of	
	Rolling Stock.	Other items.	Total.	Lines in progress.	New lines.
	R	R	R	R	R
Brought forward	3,11,95	1,88,26	5,00,21	53,37	...
	5 44,34	3,42,77	8,87,11	1,50,99	
15. Great Indian Peninsula :—					
(i) Main line	2,23,78	53	2,24,31		
(ii) Agra-Delhi Chord	...	1,92	1,92		
(iii) Bhopal State	...	2,48	2,48		
(iv) Cawnpore-Banda	...	95	95		
(v) Baran-Kotah	...	10	10		
(vi) Itarsi-Nagpur	...	...	...	45,36	
(vii) Harbour Branch	...	...	...	16,55	
(viii) Majri-Rajur	...	...	...	14,20	
16. South Indian :—					
(i) Main line	48,39	64,90	1,16,29		
(ii) Coonoor-Ootacamund	71	81	1,52		
(iii) Tinnevelly-Quilon—British Section.	...	1,10	1,10		
(iv) Do. Indian State Section.	90	20	1,10		
17. Tirhoot	6,85	3,68	10 53		
18 Lucknow-Bareilly	57	1,18	1,75		
19. Madras and Southern Mahratta :—					
(i) Open line	97,48	47,42	1,44,90		
(ii) Guntur-Tenali	...	5	5		
(iii) Dhone Kurnool	...	5	5		
	9,23,02	4,68,14	13,91,16	2,27,10	...
Reserve	...	78,16	78,16	...	...
	12,34,97	7,34,56	19,69.53	2,80,47	...
Exchange	...	...	7,49,37	63	
Total	...	...	27,18,90	2,81,10	...
Carry-forward from 1922-23 to be re-allotted in 1923-24.	...	...	8,63,95	...	...
Grand Total	...	...	35,82,85	2.81,10	...

6. The above figures explain the distribution of the 30-crore allotment for 1923-24. The carry-forward R8·64 crores represents the incomplete portion of the programme to which the Legislature has already accorded approval and which need not, therefore, be further explained. The distribution of R30 crores over open line works, rolling stock and new construction is shown below :—

	R	
Open line facilities	18,23·38	lakhs.
Rolling stock	12,34·97	,,
New construction	2,81·10	,,
Suspense	—3,39·45	,,
Total	30,00·00	,,

7. *Improved facilities.*—It will be seen that over half the total grant is to be devoted to the improvement of general open line facilities. Under this heading are included larger yards, longer platforms, extensions to stations, double lines and many similar improvements which are so urgently required on every railway in India. Taking the main heads, the distribution proposed is as follows :—

		R
(*a*)	Doubling and quadrupling	1,72·56 lakhs.
(*b*)	Improved rails and sleepers	1,06·20 „
(*c*)	Strengthening of bridges	87·10 „
(*d*)	Remodelling of station yards	2,97·64 „
(*e*)	Additional quarters for staff	1,75·72 „
(*f*)	Workshops and stores buildings	2,53·12 „
(*g*)	Plant and machinery	1,71·00 „
(*h*)	Sidings, diversions, links, etc.	86·07 „
(*i*)	Other works	4,73·97 „
	Total	18,23·38 „

(*a*) Doubling and quadrupling.

Of the doubling and quadrupling some of the most important items are on the Bengal Nagpur Railway where it is proposed to spend R35 lakhs on doubling the Anara-Kandra, Sini-Goilkera, Mohuda-Bhojudih-Gowai and Khargpur-Cossye sections in order to provide additional facilities for movement of coal traffic and thereby improve the capacity of the line for all other traffic. Apart from this the Bombay, Baroda and Central India Railway proposes to devote R40 lakhs to the quadrupling of their suburban section from Grant Road to Borivli where there has been congestion for some time. The East Indian Railway proposes to spend about half a crore of rupees, mostly on the Grand Chord doubling which will considerably relieve the congestion now occurring all over the main line. The North Western Railway will double the sections between Deona and Chak Pirana, also from Dina to Domeli and Mandra to Gujar Khan and propose to spend 14 lakhs on these works. The South Indian Railway will spend R9½ lakhs on the doubling of Madras-Tambaram section. The Burma Railways propose to spend R19 lakhs on the doubling of the line between Pyuntaza and Kyungon.

(*b*) Improved rails and sleepers.

The second item is one of very great importance, since the existing track is on many lines below the standard required for modern heavy traffic. The work to be done in this respect extends to every line in the country. A similar remark applies with even more force to the third item

(*c*) Strengthening of bridges.

"strengthening of bridges", as many of our existing bridges are below the standard required by modern heavy locomotives and stock and this restricts the movement of traffic.

(*d*) Remodelling of station yards.

The remodelling of yards and stations represents a very urgent necessity both in the interests of movement of traffic and the economic use of stock. The more important extensions necessary are terminal arrangements

at Grant Road, Bombay (45 lakhs), Ahmedabad (12 lakhs), Bulsar (4 lakhs), Bandra (5 lakhs), Victoria Terminus (6 lakhs), Mazgaon (5·81 lakhs), Poona (7 lakhs), Nagpur (6 lakhs), Gwalior (4·80 lakhs), Bhojudi (7·30 lakhs), Tatanagar (7 lakhs), Anara (10·75 lakhs), Moghalserai (10 lakhs), and Peshawar (8 lakhs).

(e) Additional quarters for staff.

The necessity for additional quarters for the staff is represented by every line in India, and in the interests of the hardworked employés, who are at present in many cases housed in inadequate and unsuitable quarters or who have to make their own arrangements in circumstances of great difficulty, it is imperative that a liberal sum shall be spent on this object with the least possible delay.

(f) Workshops and stores buildings.

(g) Plant and Machinery.

The extension of workshops and stores buildings and the provision of additional plant and machinery at a cost of Rs. 4½ crores have been rendered necessary in order to deal adequately and expeditiously with the existing rolling stock and the anticipated increase in numbers. The most important item under this head is the South Indian Railway shops at Trichinopoly; the construction of these workshops which are intended to deal with both broad and metre gauge stock is estimated to cost over Rs. 5 crores, and a sum of Rs. 112·09 lakhs is proposed to be spent on it in 1923-24. The Great Indian Peninsula Railway proposed to spend Rs. 48·25 lakhs on the electrification of their suburban sections.

Before leaving the subject of improved traffic facilities, mention may be made of the progress made in re-laying the lines dismantled during the war. Of the 420 miles of railway lines dismantled, 141 miles have already been restored, leaving 279 miles to be yet re-laid. Of these, the most important is the Sutlej Valley Railway, 208 miles in length, which is being re-laid and it is anticipated that the Kasur Pakpattan section will be opened in the course of the next few months. During the year 1923-24 the re-laying of the Bhagalpur-Bausi Railway, 32 miles long, will be taken in hand and will be completed as soon as secondhand materials are available.

8. *Rolling stock.*—A total sum of Rs. 12·35 crores is proposed to be spent on the provision of additional stock and on the improvement of the existing stock. The distribution of this amount between the various items is shown below:—

	Rs. lakhs.
Engines	3,04·09
Coaches	2,91·74
Wagons	5,00·72
Miscellaneous	1,38·42
Total	12,34·97

This expenditure covers both additional vehicles and engines and the cost of improvements to existing stock. It is anticipated that the railways will be able to place on the line during the year 1923-24, 189 extra engines, 1,270 additional coaches and 8,567 wagons (in terms of four-wheelers). It is hoped that the addition of these numbers to the existing stock, coupled with the

provision of improved facilities for the movement of the existing stock, will effect a sensible improvement in the existing conditions of travel and transport.

9. *New construction.*—No new lines are proposed to be started but an expenditure of R281·10 lakhs is required for those now under construction.

Of this, R132·10 lakhs will be spent on the following lines which serve important coal areas :—

	R lakhs.
(1) Bokaro-Ramgarh Extension	6·15
(2) South Karanpura	21·75
(3) Talchir Coalfields Railway	45·00
(4) Hesla Chandil	45·00
(5) Majri-Rajur	14·20
Total	132·10

A sum of R54 lakhs has been allotted for the Khyber Railway. R45·36 lakhs will be spent on the completion of the remaining portion of the Itarsi-Nagpur Railway—an important line which has for unavoidable reasons taken an unusually long time to construct. The Amda Jamda Railway which will serve rich iron ore deposits in the province of Bihar and Orissa, will shortly be ready for opening, and it is proposed to spend R28·03 lakhs on the completion of works in hand. In Bombay, a short overhead line is being constructed to provide for the suburban traffic and the provision made is R16·55 lakhs.

10. *Facilities for third class passengers.*—Great public interest naturally attaches to works which will directly or indirectly benefit the conditions of travel of the lower class passengers. To a considerable extent the third class passenger shares in the benefits which will follow from the general improvement in stock and facilities which will render possible a more extended service. And this is particularly the case in respect to overcrowding which can only be alleviated by more frequent and commodious trains than are at present possible owing to insufficiency of stock, congested lines, short platforms and all the other various disabilities which hinder the provision of facilities for travel the necessity for which is fully realised. Apart, however, from these indirect measures of improvement, special attention has been paid in framing the programmes of all lines to measures which will afford direct relief.

11. Taking first the provision of carriages. The number of third class carriages on all railways on 31st March 1922 was 17,868 in terms of four-wheelers. The number of additional vehicles which it is hoped will be placed on the line by the end of the year is 1,058. The result of the present programme will be to add further 1,091, bringing the total number up to 20,017 by the end of the year 1923-24. Apart from the increase in numbers, improvements in design are being simultaneously effected. A few facts in respect of the improved type of third class stock may not be without interest. On the Great Indian Peninsula Railway 59 carriages of an improved type are being provided in the year 1922-23, and 47 more will be put on the line in the following year, the cost being about R22 lakhs. These coaches will be bogies each 68 feet long by 10 feet wide to accommodate 83 passengers ; the seats will run lengthways; each carriage will be fitted with four latrines of a new and

greatly improved design. An illustration of this carriage was reproduced in the Administration Report for 1921-22. On the East Indian Railway arrangements are being made to complete the fitting up of a rake of third class carriages which embody a novelty in providing drinking water equipment. These carriages will be put into service as a regular passenger train as early as possible. This experiment of having drinking water for the third class travelling public on the train itself will be watched with interest. The Eastern Bengal Railway is also experimenting with a new type. This railway is constructing 11 bogie coaches which will accommodate 1,037 third class passengers. Each of these carriages will be divided into four compartments with latrine accommodation for each compartment; for water-supply roof tanks holding a total capacity of 80 gallons are provided; washhand basins are fitted in each lavatory. For suburban traffic this railway is providing coaches with seats arranged laterally with half backs, with a view to allow free circulation of air. These coaches will be built with turn-under sides, thus increasing the seating accommodation.

12. Apart from rolling stock, a great deal of attention is now being devoted on all lines to the question of general facilities of travel with special reference to third class passengers. Under orders of the Railway Board special reports on this matter have been submitted by all Government Inspectors and arrangements are being made, wherever possible, to give effect to their suggestions for improvement. On some lines, notably the Great Indian Peninsula Railway, further special investigation has been initiated by the railways themselves. It is impossible within the compass of this Memorandum to give a comprehensive description of all that is contemplated in this direction, but in view of the interest taken in this matter a few details of the schemes which have been initiated on some of the principal lines as the result of the investigation are embodied in the Annexure to this Memorandum.

PART II.—REVENUE.

HEADS OF ACCOUNT "XI AND XII AND 10 TO 12—RAILWAY REVENUE ACCOUNT."

13. The statement below brings out the main features of the Railway revenue budget :—

	Actuals, 1921-22.	Revised, 1922-23.	Budget, 1923-24.
STATE RAILWAYS—	R	R	R
Gross Receipts	81,69,27,377	92,07,26,000	95,57,24,000
Deduct—			
Working Expenses	*65,66,78,003*	*65,83,85,000*	*63,01,50,000*
Surplus profits paid to Companies, etc.	*1,06,40,122*	*68,07,000*	*98,77,000*
Net Receipts — Carried over .	14,96,09,252	25,55,34,000	31,56,97,000

	Actuals, 1921-22.	Revised, 1922-23.	Budget, 1923-24.
	R	R	R
Net Receipts—Brought forward .	14,96,09,252	25,55,34,000	31,56 97,000
Interest and capital redemption charges—			
Annuities in purchase of Railways .	5,07,83,728	5,03,62,000	5,03,62,000
Sinking Funds	43,35,431	46,11,000	49,10,000
Interest on Debt	15,03,48,047	16,96,83,000	18,77,90,000
Interest on Capital contributed by Companies.	3,35,17,355	3,32,04,000	3,22,30,000
	24,49,84,561	25,78,60,000	27,52,92,000
Net Result .	—9,53,75 309	—23,26,000	+4,01,05,000
Other Receipts	24,73,577	25,97,000	19,61,000
Other Charges	—20,01,989	45,31,000	38,40,000
Net Result	44,75,566	—19,34,000	—18,79,000
TOTAL NET RESULT .	—9,08,99,743	—42,60,000	3,85,26,000
Redemption of capital from revenue .	1,13,74,610	1,17,65,000	1,21,70,000
Capital at charge at end of each year .	5,44,30,50,333	5,62,92,73,000	5,99,99,52,000
Miles open on the 1st April . .	26,709	26,951	27,108

14. *Receipts 1922-23.*—In framing the budget estimate for 1922-23, the gross traffic receipts were placed at R99¼ crores, being 17¾ crores in excess of the revised estimate for 1921-22. This figure was intended to cover the equivalent of freight tax to be obtained by an all-round enhancement in rates on goods, an increase of R6 crores in passenger fares which was to be brought about by an increase in fares by about 25 per cent., besides the usual improvement in receipts on account of the normal growth of traffic from year to year.

It was not possible to bring the enhancements in passengers' fares into force with effect from the commencement of the year, and as a matter of fact they were brought into force by the several railway administrations with effect from different dates. To end of December 1922, *i.e.*, for the first nine

months of the year, the number of passengers carried and the receipts realised from them compare as follows with those for the corresponding period of last year :—

(In thousands.)

Passengers.	1921-22.		1922-23.		Increase + Decrease—	
	Number.	Earnings.	Number.	Earnings.	Number	Earnings.
		R		R		R
I class passenger.	1,019	96,17	890	99,03	—129	+2,86
II ,, ,, .	7,155	1,67,52	6,515	1,62,27	—640	—5,25
Inter ,, ,, .	7,781	1,14,22	6,826	1,08,29	—955	—5,93
III ,, ,, .	358,596	20,31,89	357,944	22,37,28	—652	+2,05,39
Total .	374,551	24,09,80	372,175	26,06,87	—2,376	+1,97,07

It will be seen that the number of passengers has decreased by 2,376 thousands, *i.e*, about 63 per cent. of the number carried in the year 1921-22, though there has been an increase of R1·97 crores in the receipts. It has been suggested that this reduction is to some extent due to the increase in fares, but the falling-off in the normal rate of increase of passengers was apparent before the fares were increased, and it is probable therefore that the general economic factors of poor trade and increased cost of living have been largely responsible for the decrease.

For similar reasons the goods traffic has not come up to expectations. The total weight of traffic carried was 58·051 millions of tons during the first nine months of the year, as compared with 57·639 millions of tons during the corresponding period of 1921-22, the increase being 412,000 tons. The total receipts were R38·91 crores as compared with R34·80 crores realised during 1921-22, the increase being R4·11 crores. Making allowance for the freight tax which was accounted for separately in the year 1921-22, and is now merged in the goods receipts, there has not been any appreciable increase in the total receipts so far.

The traffic has during the last few weeks shown indications of improvement and, taking all the factors into consideration, the revised estimate has been placed at R92 crores, being R7½ crores less than the budget estimate.

15. *Receipts 1923-24.*—The gross receipts have been estimated at R95½ crores, being R3½ crores more than the revised estimate for the year 1922-23. This is based on the fact that the enhanced fares will be in force throughout the year and on the assumption based on present favourable indications that trade may be expected, in some degree at any rate, to revive.

16. *Working Expenses.*—The budget estimate for working expenses of State-owned railways during 1922-23, was placed at R68·06 crores and the revised estimate now proposed is R65·84 crores involving a saving of R2·22 crores. For 1923-24 the budget provision has been fixed at R63·02 crores, made up as follows :—

	R lakhs.
(*a*) Ordinary expense (excluding fuel)	49,28,09
(*b*) Fuel	8,53,69
(*c*) Programme revenue	9,85,82
	67,67,60
Deduct—non-budget lines	*8,38,98*
Suspense	--41,30
	63,87,32
Deduct—Lapse anticipated under programme revenue	*35,82*
	63,01,50

The Retrenchment Committee recommended that, in view of the general financial position, a reduction should be made in railway working expenses. The Government of India decided to accept this recommendation, and made a reduction in the estimates of 3 crores of rupees. A further reduction of 50 lakhs was made by the Legislature.

17. *Ordinary expenses.*—Excluding fuel, which is dealt with in the next paragraph, the total ordinary expenses are expected to amount to over R51 crores in 1922-23. This is R59 lakhs in excess of the actual expenditure in the preceding year and R1¼ crores more than the budget provision for 1922-23. In the year 1923-24 it is proposed to provide for an expenditure of over R49¼ crores, which is considerably less than the actuals of last year and the revised estimate for 1922-23. The distribution of the expenditure between the three main sub-divisions of this head is shown below :—

	Actual expenditure in 1921-22.	Revised estimate, 1922-23.	Budget estimate, 1923-24.
	R crores.	R crores.	R crores.
(*a*) Maintenance	17·49	17·14	16·79
(*b*) General superintendence	7·54	7·86	8·01
(*c*) Running expenses and general charges, etc.	25·48	26·10	24·38
Total	50·51	51·10	49·68
Lump sum reduction	...	...	·40
			49·28

The gradual reduction of expenditure on ordinary repairs and maintenance of the property is mainly due to fall in prices of materials and to economical methods introduced as a result of the economy campaign which has been carried on by all railway administrations during 1922-23. The rise in the cost of General Superintendence from R7·54 crores in 1921-22 to R7 86 crores in 1922-23 and to R8 crores in the next year is mainly due to annual increments due for approved service of employees, the great majority of whom now are on time-scales of pay. No revisions of any great importance in the scales of pay were sanctioned in 1922-23 nor are any contemplated in 1923-24; slight changes may, however, possibly be made where it is considered absolutely necessary to do so. The numbers of superior staff have on some railways been slightly reduced, while on others the cadres have had to be strengthened to keep abreast with increased work. Increases of this class are, however, very carefully scrutinised and are only permitted where clearly unavoidable.

The increase of expenditure under the head "running expenses and general charges" in 1922-23 is made up of a number of items. About half of the excess is due to payments by the East Indian Railway to other railways for the use of rolling stock taken on hire. The annual increments granted to drivers and firemen, station and train staff and the consequential increase in the provident fund bonus allowed are also responsible for increased expenditure. In 1923-24 it is proposed to provide for an expenditure of R24·88 crores under this head, which is about R1¼ crore less than the provision for 1922-23.

18. *Fuel.*—The provision in the budget for fuel in 1922-23 was placed at R10·02 crores as compared with the actual expenditure of R9·79 crores in 1921-22. In the revised estimate it has been reduced to R9·64 crores due to a smaller quantity of imported coal having been purchased. The budget for 1923-24 provides R8·69 crores. The only railway which proposes to purchase imported coal during 1923-24 is the Madras and Southern Mahratta Railway, and its orders will amount to 60,000 tons. This purchase is justified by the fact that the price per ton of the foreign supply compares favourably with the price of Bengal coal with freight charges included. All the other railways expect to use Indian coal only, and there is consequently a reduction of over 1 crore of rupees in expenditure as compared with the revised estimate for 1922-23, in spite of the fact that the contract price of Indian coal for supply during 1923-24 is somewhat higher than during 1922-23.

It may be stated here that steps are contemplated with a view to increase local supplies and avoid recourse to import of coal. In order to increase the output from the Kargali colliery, which is worked by the Great Indian Peninsula Railway, it has been proposed to work it by means of electricity, and an estimate for R24·76 lakhs has been submitted to the Secretary of State for sanction. The ultimate output will be increased to one million tons of coal per annum representing more than 75 per cent. of the present-day requirements of this railway and the saving in the fuel bill is estimated at about R40 lakhs per annum. Steps are also being taken to acquire additional collieries for railway purposes. In the southern portion of the Karanpura coalfields an area of 6,800 bighas has been investigated and proved by a prospecting survey to contain at least 150 million tons of coal. A mining lease of this area has been acquired at a cost of R11·90 lakhs and

it is proposed to work it as a State colliery for the use of the three State-worked railways. The Secretary of State has sanctioned an expenditure of R49·54 lakhs for the acquisition and development of Jairangdih colliery for the joint use of the Bombay, Baroda and Central India and the Madras and Southern Mahratta Railways. The output of coal is estimated at 650,000 tons by the third year of development, increasing by degrees to 1,300,000 tons per annum from the fifteenth year. The Bengal-Nagpur Railway is carrying out prospecting surveys in the Talchir and Karanpura coalfields, and the Madras and Southern Mahratta Railway also proposes to investigate an area in the former field. Negotiations are in progress with a view to the Burma Railways obtaining their coal supply from the Kalaw coalfields which have been leased and are being surveyed by a private company.

The new coal lines already referred to which have been taken in hand in 1922-23 will also help in this direction.

As a measure of general economy Coal Saving Committees have been constituted on all lines with a view to exploring every possible avenue of saving.

19. *Programme Revenue.*—The budget provision for 1922-23 under the head "Programme Revenue" was R11·81 crores and the revised estimate provides for an expenditure of R8·97 crores. The deficiency is mostly due to the non-arrival of necessary materials and also to some extent to fall in prices. The budget has been framed for a net expenditure of 9 crores allowing for a possible saving in the estimate of R85·82 lakhs.

The expenditure under this head is intended primarily to make good wear and tear of the property; to provide for the renewal of rails, sleepers, bridges and stock which are worn out or no longer suitable for present heavy traffic. The Railway Finance Committee considered this matter and recommended that early steps should be taken to calculate the rates of depreciation which should be allowed for the various classes of railway plant and material in order that the recurrence of the deterioration which had taken place in recent years might be avoided and depreciation of renewal and repairs provided for automatically. The question was also considered by the Central Advisory Council for Railways who expressed the opinion that, if a proper depreciation fund were started, adequate provision for the service of the fund should be a standing charge against the revenue budget. A committee of experienced officers has been at work examining the question and their report has only recently been received and is under consideration.

In view of the unavoidable depreciation of railway property which took place during the years of the war, this head of expenditure represents one of the most important items in the Railway Budget, for it has been made quite clear by all the evidence which was given before the Acworth Committee that the present condition of the railways, which exhibits decreased earning power and inability to deal adequately with the traffic offering, is largely due to the impossibility of providing adequate funds for regularly making good depreciated material, plant and equipment. Further it is important that the intimate connection between this part of the programme and capital should not be overlooked. In modern conditions nearly every renewal involves an element of betterment and if full use is to be made of the 30 crores per annum, which the Assembly has decided shall be spent on

the improvement of railways, it is essential that the process of renewal on which the improvement is dependent shall be correspondingly financed.

20. *Surplus Profits paid to Companies.*—The increase of ₹3,07 lakhs in the revised estimate is due to the larger net earnings of some railways in the last quarter of 1921-22 than provided for in the revised estimate of that year upon which the budget estimate of surplus profits of the current year was based.

The large increase in the budget estimate for 1923-24 as compared with the revised estimate for 1922-23 is due to the probable estimated net earnings of 1922-23, being larger than those of 1921-22.

21. *Interest charges, etc.*—The excess under Interest on debt is explained n Finance Department memorandum.

22. *Other receipts.*—The receipts shown under this head represent the Government share of surplus profits of the Rohilkund and Kumaon, Southern Punjab, Amritsar-Patti, Hardwar-Dehra, Kalighat-Falta, Sialkot-Narowal and Hoshiarpur-Doab Railways payable under the terms of their respective contracts. The improvement of ₹6,55,000 on the budget estimate of receipts in 1922-23 is due mainly to the variations anticipated in the Government share of surplus profits of the Amritsar-Patti and Rohilkhand and Kumaon Railways and in the repayment of advances of interest by Tinnevelly-Quilon Railway (Indian State section). The decrease of ₹6,36,000 provided for in the budget for 1923-24 is due mainly to variations anticipated in the Government share of surplus profits of the Rohilkund and Kumaon and Southern Punjab Railways and in the repayment of advances of interest by Tinnevelly-Quilon Railway (Indian State section).

23. *Other charges.*—These consist of cost of land required by certain Railway Companies entitled under the terms of their contracts to free supply of land for the purposes of their railways, and of miscellaneous items such as surveys and controlling establishments (including the Railway Board). A share of the cost of control is charged to the working expenses of each Railway Company and the recoveries thus made are adjusted by deduction from the miscellaneous expenditure. The figures are :—

Items.	1921-22.	1922-23.		1923-24.
	Actuals.	Budget.	Revised.	Budget.
	₹	₹	₹	₹
1. Subsidised Companies—Land and Subsidy.	7,19,922	19,83,000	10,80,000	25,90,000
2. Miscellaneous Expenditure .	—27,21,911	23,04,000	34,51,000	12,50,000
TOTAL .	—20,01,989	42,87,000	45,31,000	38,40,000

24. *Land and Subsidy.*—The revised estimate shows a decrease of R9,03,000 over the budget estimate of 1922-23 which is mainly attributable to the fact that provision made for certain railways is not now required, as it has subsequently been decided to construct them from Programme funds and also to provision made for certain other lines not having been utilised due to postponement of works to next year. The budget estimate for 1923-24 has been placed at R25,90,000 which is about R15 lakhs in excess of the revised estimate for 1922-23. The increase is chiefly due to provision made for land for new projects, *viz.*, Jharia-Jhanjail-Bagmara, Bagmara Siju, Mukerian-Talwara, Sirhind Rupar Railways, District Board Lines in Madras Presidency, Hardwar-Dehra and Rishikesh-Rishikesh Road Railways.

25. *Miscellaneous Expenditure.*—The increase of R11,47,000 in the revised estimate for 1922-23 as compared with the budget estimate of the year is chiefly due to provision made to cover the estimated amount of adjustments required to be made provisionally with other departments on behalf of railways in the Accountant-General, Railways' auxiliary accounts as well as to provide for the reversal entries in respect of certain credits adjusted in those accounts for 1921-22 to be passed on the railways in the accounts for 1922-23. It may be explained that the use of the Accountant-General, Railways' auxiliary accounts is made to include in the railway accounts for a year all the railway transactions relating to that year which, owing to the individual accounts of railways for a year being closed early in May following, could not be adjusted in those accounts and would have remained outstanding at the end of a year but for adjustment through the auxiliary accounts. The budget for 1923-24 is made up as follows :—

	R
Cost of surveys	8,00,000
Government supervision, audit and control :—	
Establishment of the Railway Board	10,00,000
„ „ Accountant-General, Railways	2,39,000
Government Inspectors and Government Examiners of Accounts	6,78,000
Surplus Establishment and Miscellaneous Charges	2,10,000
Indian Railway Bridge Committee	5,000
State Railways.—Miscellaneous expenditure in England	15,84,000
Exchange	7,92,000
Total	53,08,000
Less—Recoveries on account of supervision	*—16,82,000*
Less—Leave allowances, etc., of railway employés and miscellaneous charges adjustable against working expenses	*—23,76,000*
GRAND TOTAL	12,50,000

PART III.—REVIEW OF FINANCIAL POSITION.

26. *1922-23, Revised Estimate.*—The following table shows the financial results expected in accordance with the latest estimates :—

			R
Traffic receipts from Government Railways			92,07,26,000
Government share of surplus profits from Subsidised Companies' Railways			25,97,000
	Total Receipts		92,33,23,000
		R	
Working expenses		65,83,85,000	
Surplus profits paid to Companies		68,07,000	
Interest on Government debt		16,96,83,000	
Interest on capital contributed by Companies		3,32,04,000	
Annuities in purchase of Railways		5,03,62,000	
Sinking Funds		46,11,000	
Land and Subsidy to Companies		10,80,000	
Miscellaneous		34,51,000	
Total Charges		...	92,75,83,000
Net loss		...	42,60,000

The total capital at charge of railways is R5,62,92,73,000 and after paying working expense the net return on capital is expected to be R26,49,78,000 which is equivalent to 4·7 per cent. on capital.

The net loss after paying interest on borrowed capital and all other contingent liabilities connected with railways, was R42,60,000 which compares favourably with the corresponding figure of R9,08,99,743 in 1921-22.

27. *1923-24, Budget Estimate.*—The corresponding figures for 1923-24 based on estimates are expected to be as follows : —

			R
Traffic receipts from Government Railways			95,57,24,000
Government share of surplus profits from Subsidised Companies' Railways			19,61,000
	Total Receipts		95,76,85,000
		R	
Working expenses		63,01,50,000	
Surplus profits paid to Companies		98,77,000	
Interest on Government debt		18,77,90,000	
Interest on capital contributed by Companies		3,22,30,000	
Annuities in purchase of Railways		5,03,62,000	
Sinking Funds		49,10,000	
Land and Subsidy to Companies		25,90,000	
Miscellaneous		12,50,000	
Total Charges		...	91,91,59,000
Net gain		...	3,85,26,000

The total capital at charge of railways at the end of the next financial year is expected to be R5,99,99,52,000 and after paying working expenses the net return on capital will be R32,75,35,000 which is equivalent to 5·46 per cent. on capital.

28. It will be seen from the above that the position is rapidly improving, and there is every expectation that in 1923-24 railways will again bring in a net profit to the State. The unfavourable results in the past years since the war have been due to a variety of causes, most of which are now showing signs of passing away. Difficulties similar to those which have affected railways in India have been apparent in every form of business in the country. Working expenses have risen to an unprecedented degree, and the earning power of the lines has not responded, for the reason that trade was almost at a standstill and even passenger traffic languished or failed to increase, in sympathy with the financial condition of the people. There is, however, no reason to imagine that these conditions represent other than a temporary phase similar to what is apparent in every other part of the world.

29. On every line in India Retrenchment Committees are now endeavouring to reduce working expenses by introducing more economical methods and by getting rid of all classes of liabilities which do not represent matters absolutely essential to working. Trade is now beginning to show signs of recovery and it may confidently be hoped that railway receipts will rise in sympathy. It is the first essential at present, therefore, to push forward the rehabilitation of all lines so that they may be placed in a position to meet the public demand for transport without difficulty, and at the same time to endeavour by every means possible to reduce the working expenses to the minimum compatible with efficiency.

C. D. M. HINDLEY,
Chief Commissioner of Railways.

Dated the 29th March 1923.

Annexure to Appendix I.

MEASURES DESIGNED TO IMPROVE CONDITIONS OF TRAVEL FOR 3RD CLASS PASSENGERS.

Water-supply for passengers.

Every line is paying particular attention to this requirement. Mention is made in the memorandum to which this is appended of the experiments in providing supply in the train itself, but apart from this arrangements are being made to extend and improve the ordinary station supplies for passengers. On the Great Indian Peninsula Railway 43 stations are put down for this improvement, and provision is being made for standpipes both on platforms and in 3rd class waiting sheds. The North Western Railway, which traverses some very hot tracts, besides providing additional supply at many stations is conducting experiments in cool storage by building special drinking water tanks. These installations cost R2,000 each and, pending the result of the trial, temporary arrangements are being made to improve the water-supply at a large number of stations. The Burma Railways proposes to devote about R50,000 to provision of extra hydrants, though arrangements on this line in this respect are reported to be generally good.

The Bengal Nagpur Railway, besides minor improvements at less important stations, has 11 large schemes for providing new water-supply at stations. The Bengal and North Western, Rohilkund and Kumaon, Oudh and Rohilkhand, Madras and Southern Mahratta and South Indian Railways all propose to increase substantially the number of hydrants and improve supply of water. On the Eastern Bengal Railway 24 new stations are being equipped with hydrants and 12 tube wells are to be sunk. About a lakh of rupees is to be spent on these objects.

The above are merely examples of what is being done. Works of this nature are not by themselves individually impressive, but in the aggregate tend to improve on passengers' comfort.

Waiting sheds and rooms.

Very particular attention has been devoted to this matter in all programmes.

The Great Indian Peninsula Railway is providing new waiting accommodation at 58 stations and extending existing accommodation at 15 more besides providing additional seating accommodation, the total expenditure on these works being R3·85 lakhs. The Bengal and North Western Railway is spending R56,000 in providing new 3rd class waiting accommodation with separate rooms for Indian ladies at 10 stations. The East Indian Railway has a number of smaller schemes of this nature and large ones at Jammawan, Kulti, Delhi and Burdwan. The North Western Railway is providing new waiting halls at Karachi, Bhalwal, Shorkot Road, Sangla Hill, Khanewal, and other stations numbering 13 in all, the total expenditure being about R3 lakhs.

The Oudh and Rohilkhand Railway is spending R1,06,000 on extra waiting accommodation at 12 stations including a large scheme to meet *mela* traffic at Sitapur. The Bombay, Baroda and Central India Railway has a considerable programme of this work, including the re-building of the stations

at Ahmedabad with very greatly improved 3rd class accommodation, which is very badly required. The Bengal Nagpur Railway is extending the waiting shed for pilgrims at Puri and is also providing pilgrim *serais* at 4 stations at an estimated cost of about R1½ lakhs. The waiting halls at 14 other stations are to be extended and improved on this line. On the Rohilkund and Kumaon Railway an Indian waiting shed is being erected at Kathgodam. Assam Bengal Railway is spending R70,000 on third class waiting halls at 18 stations. The South Indian Railway is providing improved waiting shed accommodation at 10 stations; Indian retiring room and festival waiting shed at 2 stations are also to be erected by this railway; increased accommodation in 3rd class waiting sheds is also being provided at 7 important stations which are being remodelled. On the Eastern Bengal Railway the present 3rd class sheds at Katihar are to be considerably increased in size; waiting halls at 12 stations are to be extended; large sheds at 6 stations and small ones at 13 stations are to be erected; and 3rd class ladies' waiting rooms at 4 stations are to be built. The Madras and Southern Mahratta Railway is providing waiting sheds at 42 stations at an estimated cost of R1,71,000.

Indian refreshment rooms.

The provision of Indian refreshment rooms presents a good many difficulties, and all of the arrangements so far made are advisedly of an experimental nature, the object being to ascertain the kind of accommodation most suited to local requirements. Owing to the wide differences in caste and social habits of the different classes to be catered for in various parts of the country it is impossible to successfully adopt similar measures on all lines. But on every line an effort is now being made to find out how the wants of the public can be met and so far as possible to meet them. The East Indian Railway is providing Mohamedan and Hindu refreshment rooms at Howrah. The Great Indian Peninsula Railway is erecting proper food stalls with cookhouses at 43 stations at an estimated cost of about Rs. 2 lakhs; it is also supplying stalls for tea and sweetmeats at 13 stations and improving the existing arrangements at another 7 stations. The North-Western Railway is putting up two rooms at Ferozepore; it is also providing vendors' stalls and tea shops at a number of stations. On the Oudh and Rohilkhand Railway vendors' shops have been fixed at 4 stations and others are being provided. On the South Indian Railway Indian refreshment rooms are being provided wherever found necessary. On the Eastern Bengal Railway refreshment rooms for Hindus and Mohamedans have already been provided at 3 junction stations and it is the intention to provide them at all big stations, junctions and termini where passengers wait in any number. During the next year at least 6 such combined Hindu and Mohamedan refreshment rooms will be built, and there will also be considerable refreshment facilities at Katihar station, the total cost being about R60,00 . The Madras and Southern Mahratta Railway is providing new refreshment rooms or improving the existing ones at certain stations.

Latrines.

The travellers' needs in this respect are to a great extent being met by improved arrangements on the trains themselves, at the same time improvements at stations, especially the larger ones, are being attended to.

On the Great Indian Peninsula Railway new latrines are being provided at 22 stations at a cost of ₹34,000. The Oudh and Rohilkhand Railway is spending ₹13,000 on the improvement of sanitary arrangements for 3rd class latrines at Kashi. The South Indian Railway is erecting latrines at end of platforms with water conveniences and efficient drainage at 7 important stations as part of remodelling schemes. Latrines on station platforms at 35 stations on this line are also being provided at a cost of ₹17,500. During festivals temporary latrines are provided where necessary. A special staff of sweepers are engaged during such occasions for the removal of filth and rubbish from places resorted to by passengers. In the case of large festivals like the "Mahamagam", a senior medical officer with a sufficient medical and sanitary staff are placed in charge of festival arrangements.

Booking facilities, raised platforms, etc.

This heading covers a number of matters all affecting the convenience of passengers and in some cases presenting considerable difficulty in solution. The provision of adequate booking facilities to suit widely varying numbers at particular centres is a matter of very great difficulty, but efforts are now being made on all lines to effect such improvement as is possible. The East Indian Railway is extending the booking hall at Cawnpore at a cost of ₹33,000. Raised platforms are being provided at 5 stations and overbridges are to be built at 4 stations at a cost of over a lakh of rupees. Improved booking arrangements for 3rd class passengers are also being provided at Howrah. The Great Indian Peninsula Railway propose to erect separate booking offices contiguous to the sheds at 14 stations at a cost of ₹90,000. It is also proposed to improve the existing arrangements at 8 stations. For the exclusion of beggars and loafers and the reservation of waiting sheds for the sole use of *bonâ fide* passengers it is proposed at 18 stations to erect unclimbable palisading to form an enclosure in which the waiting sheds, booking offices, food-stalls and other facilities for waiting passengers will be situated, the total cost being about ₹50,000. The Oudh and Rohilkhand Railway is extending passenger platforms at 27 stations and is providing shed over island platform at Balamau and verandahs to flag stations at a total cost of over ₹80,000. The Assam Bengal Railway is providing raised platform, overbridge, and electric lights at Sitakund station and is covering the island platform at Laksam station, the total provision in next year's budget being ₹45,000. On the South Indian Railway covered platforms and foot overbridges with coverings are to be provided at 7 stations in connection with re-modelling schemes; island and station platforms are also to be provided at these and other stations; at 3 stations platforms are to be raised; benches are to be provided at 50 stations and high power lamps installed at 25 stations. The Eastern Bengal Railway is enlarging platforms at 3 stations in the suburban area. On the Madras and Southern Mahratta Railway high power lamps and electric lights are to be provided at certain stations at a considerable cost. The above explanations in respect to the various classes of improvements do not of course pretend to be comprehensive but will indicate the progress which is being made in dealing with the 3rd class passenger traffic.

APPENDIX II.

PRO FORMÂ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

Prefatory Note.

I.—Scope of *pro formâ* account.

The following *pro formâ* account, with its supporting statements, exhibits the expenditure, initial and annual, on Delhi and the Delhi Province, and also any receipts and savings which form a direct set-off to that expenditure. The account has been prepared in consultation with the Auditor General and carries his approval as regards both its form and its substantial completeness at the present date, subject to the qualifications implied in the following prefatory remarks; it will be added to, or amplified later, if experience should show this to be necessary.

2. The main item of the account, as regards non-recurring expenditure, is the Delhi project proper, the figures for which appear against item 1 of Part I.—*Initial Outlay.* The principal recurring charge is that representing the expenditure in the new province, which appears as item 1 of Part II.—*Annual Expenditure.*

3. The account necessarily exhibits any expenditure occurring under the named heads, without qualification on account of contributory causes. It must, therefore, be clearly understood that the increase of expenditure, including that in the Delhi Province, is not wholly due to the change of Capital. Thus, an increase of the garrison at Delhi on strategic grounds had been already independently and strongly recommended to the Government of India by the Chief of the General Staff and endorsed by His Excellency the Commander-in-Chief in July 1911, before the transfer of the Capital had been officially proposed, and the construction of the accommodation of the troops already there had long been recognised as pressing. Similarly, the recent advance in the policy relating to education and sanitation, particularly the latter, would, under any circumstances, have involved increased expenditure in this city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance. The same principle will be applied to the railway expenditure, *i.e.*, the cost of any remodelling of the railway system which is connected with the constitution of the new Capital will be exhibited in full in the *pro formâ* account. A wholly independent railway requirement, such as the permanent marshalling yard which will eventually replace the temporary yard now in use, will not be shown.

II.—*Relation between the* pro formâ *account and the regular accounts.*

4. A brief explanation is added below connecting the various items in the *pro formâ* account with the entries in the published accounts and estimates. Some further explanations are also to be found in the account itself and in its supporting statements.

5. The capital expenditure directly incurred on the construction of the new Imperial Capital at Delhi is shown in the regular accounts under the special head "57—Initial Expenditure on the new Capital at Delhi." The only other item of expenditure which will be recorded in the capital section of the regular accounts is that arising from diversions or re-arrangements of the railway system, which will appear under the head "53—State Railways." Item 1 of Part I of *pro formâ* account. Item 3 (*b*), *ibid.*

Item 2, *ibid.*

6. The initial expenditure incurred during the years 1911-12 and 1912-13, in connection with the provision of temporary accommodation for the Government of India at Delhi pending the construction of the new Capital, has been treated, on the advice of the Auditor General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "41—Civil Works." Any non-recurring receipts which may eventually be obtained in connection with these temporary works, *e.g.*, from the sale of lands and buildings when no longer required by the Government of India, will be similarly credited under a special head subordinate to the major head "XXX—Civil Works."

Item II, *ibid.*

Items 1 and I of Part II of *pro formâ* account.

7. The remaining expenditure is mainly brought to account in one of two ways: either, first, as expenditure of the new Province; or, secondly, as departmental expenditure chargeable to the Department in which it is incurred.

8. The expenditure and receipts appertaining to the *quasi*-provincial administration of the Imperial area are brought to account in the same way as in the case of other minor administrations and are eventually published separately, like the figures for Coorg and Baluchistan, in an appendix to the Civil Estimates. It will be noted that any grants which may be specially given from Imperial revenues in aid of the Delhi Municipality or other local funds will be brought into the regular accounts and consequently, into the *pro formâ* account also, since they will appear as charges of the Delhi administration.

Items 3 (*a*) and III of Part I of *pro formâ* account.

9. Expenditure which does not appertain to provincial administration is recorded, as in the case of other provinces, under its appropriate departmental head in the regular accounts. Thus, expenditure on the land and buildings required for the new Cantonment, and any corresponding receipts, appear under the Army and Military Works heads respectively, under both of which a special Delhi sub-head has been opened. Railway capital outlay has already been referred to. Railway revenue charges and receipts, similarly, come under the Railway account head. In these cases, the *pro formâ* account necessarily exhibits only initial expenditure and non-recurring receipts, as Military expenditure is not being permanently increased and the influence of the new Capital on the ordinary daily receipts and working expenses of the Railways cannot evidently be satisfactorily isolated. This latter consideration also applies to the case of Postal and Telegraph expenditure, which moreover represents ordinary administrative expenditure of the department, and is relatively insignificant in amount. For these reasons, in the case of this department, neither the initial outlay nor the recurring receipts and expenditure have been included.

Items 4 to 7 and I and IV of Part I, and Items 2 and 3 and II to V of Part II of *pro formâ* account. Item I of Part I.

10. There are also a few items of expenditure and of actual receipt or of definite saving which are not recorded in the accounts of the Delhi Province or in the departmental accounts, but which it is necessary to take into consideration in calculating the expenditure on Delhi and the Delhi Province. Most of these are self-explanatory, but attention may be called to the intended treatment of the sale-proceeds of vacated lands and buildings at Calcutta (if any) and elsewhere. These will be credited under the major heads "XXXV—Miscellaneous" and "XXX—Civil Works", and the *pro formâ* account will take credit only for actual Imperial receipts. No account will be taken, in the statements themselves, of book transactions or

of the considerable savings obtained from the vacation of rented accommodation, *i.e.*, of relief in respect of rental payments which the Local Government obtains by giving up private buildings previously leased for provincial establishments, and moving the latter into offices formerly occupied by the Government of India. Any reference made to such saving will, therefore, be found in an explanatory footnote. [See Part I, Note 5.]

11. Outlay on stores and all other expenditure incurred in England under a capital head or as a revenue charge, which can be distinguished as appertaining to the construction of Delhi or to the administration of the Delhi Province, have been included in the *pro formâ* account.

PRO FORMÁ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART I.—INITIAL OUTLAY.

[Figures in thousands of Rupees.]

Expenditure.	Actuals to end of 1921-22.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.	Receipts.	Actuals to end of 1921-22.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
1. DELHI PROJECT: Capital outlay on permanent Delhi chargeable to Head "57" (for details see Statement I-A) . . .	6,17,27	1,91,50	1,97,00	I.—Receipts which may be obtained on account of Imperial buildings vacated by the Government of India or attached offices in consequence of the move	...	...	...
2. Temporary Delhi* .	54,33	...	...				
3. Initial expenditure of non-Civil Departments:—							
(a) Military Services†	82,47	5,49	20,44				
(b) Railways‡ . .	23,80	27,83	26,17	II.—Non-recurring receipts on account of Temporary Works .	2	...	...
4. Non-recurring grant to the Punjab Government in compensation for expenditure incurred on new headquarters buildings for the Commissionership transferred from Delhi	1,36	...	...	III.—Recoveries on account of land or buildings vacated in the old Cantonment of Delhi‖ . . .	...	...	...
5. Cost of withdrawal to Delhi of Imperial offices previously located at Calcutta or elsewhere	2,03	...	...				
6. Special non-recurring monetary concessions to establishments of the Government of India and attached offices on the occasion of their first move to Delhi . .	4,54	76	67	IV.—Miscellaneous items	5,09	84	84
7. Miscellaneous items§	6,55	1,18	1,40				
TOTAL .	7,92,35	2,26,76	2,45,68	TOTAL .	5,11	84	84
Total Expenditure to end of 1923-24 .		12,64,79		Total Receipts to end of 1923-24 . .		6,79	
Net Expenditure to end of 1923-24 .		12,58,00					

* NOTE 1.—The head "Temporary Delhi" has been closed from 1st April 1913, subsequent expenditure being treated as part of the expenditure of the Delhi Province—see Part II of Account.

† NOTE 2.—The expenditure included under item 3 (*a*) is that relating to the formation of the new Cantonment. Its details are as follows:—

	To end of 1921-22.	Revised, 1922-23.	Budget, 1923-24.
Acquisition of land	13,10	...	...
Cost of buildings	61,80	5,00	18,42
Establishment charges . . .	5,70	40	1,84
Tools and Plants . . .	1,87	9	18
TOTAL .	82,47	5,49	20,44

‡ NOTE 3.—The figures relate to charges for the acquisition of land and outlay on railway facilities at Nangal Raya and on account of Delhi New Capital Railway Works.

§ NOTE 4.—The expenditure shown against item 7 represents mainly the proportionate cost of the Delhi Audit Office and the cost of temporary establishments employed in the Secretariats in connection with the change of Capital.

‖ NOTE 5.—These heads will record only actual receipts obtained from the sale of the vacated buildings and land. As explained in paragraph 10 of the prefatory note, this procedure has the effect of excluding a substantial true saving in respect of rented accommodation. Thus from 1913-14 to 1921-22 the Government of Bengal, by moving their offices into the vacated Imperial buildings in Calcutta, saved R6,78,600: partly by being enabled to dispense with private accommodation previously leased, and partly by being relieved from the necessity of renting further accommodation.

PRO FORMÁ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of Rupees.]

Expenditure.	Actuals, 1921-22.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.	Receipts.	Actuals, 1921-22.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
1. Expenditure of Delhi Province* . .	65,09	57,17	50,06	I.—Revenue of Delhi Province* . . .	34,11	32,73	32,61
2. Miscellaneous items .	25	29	29	II.—Saving under hill journey and travelling allowances and contingencies on account of shorter move of Secretariat and attached offices† . . .	2,50	2,50	2,50
				III.—Miscellaneous items . . .	3	3	3
Total Expenditure .	65,34	57,46	50,35				
Net Expenditure .	28,70	22,20	15,21	Total Receipts .	36,64	35,26	35,14

* NOTE 1.—The details of this item are given in Statement II-A.

† NOTE 2.—The figures shown against item II to a minimum figure calculated once for all on the assumption that all offices or portions of offices which previously moved between Calcutta and Simla have subsequently moved regularly between Delhi and Simla. The actual saving throughout has been larger owing to certain establishments which previously moved to Calcutta being retained in Simla throughout the cold weather.

STATEMENT I.-A.

Details of Capital outlay on the Delhi Project working up to the total figures shown against item I in Part I of pro formâ *account.*

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1921-22.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
A.—Salaries and allowances—			
(*a*) Preliminary Investigation—			
(*i*) Gazetted officers	2,04	...	...
(*ii*) Non-gazetted officers	14	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(*i*) Gazetted officers	44,90	11,24	10,29
(*ii*) Non-gazetted officers	28,17	6,14	7,21
(*c*) Miscellaneous officers (including all others) employed on the Project—			
(*i*) Gazetted officers	3,78	36	41
(*ii*) Non-gazetted officers	2,55	46	32
B.—Travelling allowances of Officers and Establishment—			
(*a*) Preliminary Investigation—			
(*i*) Gazetted officers	23	...	...
(*ii*) Non-gazetted officers	2	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(*i*) Gazetted officers	4,26	69	67
(*ii*) Non-gazetted officers	2,55	50	55
(*c*) Miscellaneous officers (including all others) employed on the Project—			
(*i*) Gazetted officers	37	8	9
(*ii*) Non-gazetted officers	13	4	4
C.—Supplies, Services and Contingencies—			
(*a*) Preliminary Investigation	51	...	...
(*b*) Public Works and Electrical officers employed on the Project	3,64	70	84
(*c*) Miscellaneous officers	39	4	1
Less—On account of Exchange	...	1,69	1,48
Total A, B, C	93,68	21,94	21,71
Deduct—Credits from other heads of account	*20,18*	*3,09*	*4,04*
Net Total A, B and C—Carried over	73,50	18,85	17,67

Details of Capital outlay on the Delhi Project working up to the total figures shown against item I in Part I of pro formâ *account*—concld.

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1921-22.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
Brought forward	73,50	18,85	17,67
D.—Works Expenditure—			
(*i*) Buildings—			
(*a*) Government House	28,22	12,47	30,00
(*b*) Secretariat	47,49	27,50	46,68
(*c*) Other buildings	1,17,92	18,22	51,06
(*d*) Legislative Chambers	54	7,76	25,00
(*ii*) Communications	12,13	7,20	6,00
(*iii*) Miscellaneous Public Improvements	7,98	2,05	5,00
(*iv*) Electric Light and Power	1,83	15,20	16,56
(*v*) Irrigation	21,82	9,43	3,00
(*vi*) Sanitation including storm-water drains, sewage and sewage disposal, water-supply, and conservancy	47,60	24,60	21,00
(*vii*) Tools and plants	6?,22	6,37	4,00
(*viii*) Stock and Suspense	77,28	9,65	—35,00
(*ix*) Miscellaneous including surveys camps and general preliminary expenditure connected with works	68,93	16,50	2,00
(*x*) Maintenance during construction	34,79	10,95	10,00
(*xi*) Railway diversion	77	10.00	2,00
E.—Acquisition of land taken up for the Project	33,93	—51	...
F.—Other Miscellaneous expenditure	6	...	...
Reserve for fluctuation in Exchange	...	11.25	2,82
Minus Reserve	...	—12,29	—7,79
Deduct—Receipts on Capital Account	*20,74*	*4,00*	*3,00*
Total	6,17,27	1,91,50	1,97,09

STATEMENT II-A.

Revenue and Expenditure of Delhi Province.

[Figures in thousands of Rupees.]

REVENUE.				EXPENDITURE.			
Major heads of Account.	Actuals, 1921-22	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.	Major heads of Account.	Actuals, 1921-22.	Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
I.—Customs	53	1,35	1,10	2. Taxes on Income	7	14	15
II.—Taxes on Income	12,01	9,53	9,51	5. Land Revenue	79	43	39
IV.—Opium	20	21	29	6. Excise	14	16	14
V.—Land Revenue	3,60	3,77	3,86	7. Stamps	11	12	12
VI.—Excise	4,45	5,24	5,27	9. Registration	8	8	8
VII.—Stamps	7,01	6,57	6,60	15. Miscellaneous Irrigation Expenditure	4	5	5
IX.—Registration	42	44	45	22. General Administration	2,80	3,29	3,19
XIV.—Irrigation works for which no capital accounts are kept	1	6	4	23. Audit	51*	23*	12*
XVI.—Interest	1	19	18	24. Administration of Justice	1,50	1,77	1,67
XVII.—Administration of Justice	19	23	22	25. Jails and Convict settlements	1,47	1,22	1,17
XVIII.—Jails and convict settlements	22	25	25	26. Police	8,74	9,74	7,95
XIX.—Police	17	20	18	28. Ecclesiastical	23	36	35
XXI.—Education	15	16	16	39. Political	1	1	1
XXII.—Medical	4	8	7	30. Scientific Departments	5	41	4
XXVI.—Miscellaneous Departments	21	5	5	31. Education	3,76	4,84	4,84
XXVII.—Currency	...		...	32. Medical	3,32	3,48	3,27
XXX.—Civil works†	1,68	1,20	1,20	33. Public Health	84	86	79
XXXIII.—Receipts in aid of Superannuation, etc.	6	4	5	34. Agriculture	33	30	18
XXXIV.—Stationery and Printing	10	10	9	35. Industries	...	3	3
XXXV.—Miscellaneous.	3,05	3,06	3,04	37. Miscellaneous Departments	2	...	...
				38. Currency	8	9	9
				41. Civil Works†	18,87	17,06	15,53
				44. Territorial and Political Pensions	45	49	48
				45. Superannuation, etc.	2,64	2,68	2,65
				46. Stationery and Printing	17	10	10
				47. Miscellaneous	13,15	5,85	3,86
				Refunds	1,98	1,71	1,75
				Special Additions—			
				41. Civil Works—Viceregal Estatee in India	2,94	1,67	1,33
TOTAL	34,11	32,73	32,61	TOTAL	65,09	57,17	50,06

* Excludes cost of Delhi Audit Office debitable to Part I.

† Figures exclude transactions pertaining to the Imperial Division at Dehra Dun.

APPENDIX III.

COMMERCIAL AND FINANCIAL STATISTICS.

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COMMERCIAL AND

TABLE I—

		1914-1915.	1915-1916.	Item Number.
Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works, Telegraphs and the Delhi Capital not charged against Revenue—				
Surplus	R	...	...	1
Deficit	R	2,67,79,050	1,78,29,015	2
Capital Expenditure on Railways and Irrigation Works not charged against Revenue	R	17,44,95,510	8,38,35,975	3
Capital outlay on the Indian Postal and Telegraph Department not charged against Revenue	R	..	...	4
Initial Expenditure on New Capital at Delhi	R	54,05,475	49,09,110	5
India's Financial Contribution to the War	R	...	...	6
Net Public Debt incurred	R	4,09,09,410	3,56,07,510	7
Net Public Debt incurred, including Capital transactions with Railway Companies	R	8,59,50,444	8,64,25,637	8
Value of commodities exported, excluding Gold and Silver	R	1,82,17,60,000	1,99,48,00,000	9
Value of commodities imported, excluding Gold and Silver	R	1,44,93,10,000	1,38,16,90,000	10
Excess of Exports over Imports, excluding Gold and Silver	R	37,24,50,000	61,31,10,000	11
Net Imports of Gold	R	7,64,70,000	† —1,10,90,000	12
Ditto of Silver	R	8,87,20,000	4,83,00,000	13
TOTAL NET IMPORTS OF GOLD AND SILVER	R	16,51,90,000	3,72,10,000	14
Excess of Exports over Imports including Gold and Silver	R	20,72,60,000	57,59,00,000	15
Net Imports of Currency Notes*	R	...	...	16
Excess of Exports over Imports including Gold, Silver and Currency Notes	R	20,72,60,000	57,59,00,000	17
Secretary of State's Bills sold (Rupees)	R	§ 11,61,88,392	§ 30,36,67,471 (a)	18
Sterling Equivalent received	£	§ 7,748,112	§ 28,354,517 (a)	19
Silver coined at the Indian Mints	R	2,17,95,335	1,62,02,199	20
Maximum price in pence of an oz. troy standard Silver in London		27¾ (30th Apl.)	28 1/16 (31st March 1916).	21
Minimum price in pence of an oz. troy standard Silver in London		22¾ (13th and 14th Novr.)	22¾ (5th Aug. 1915).	22
Average Exchange upon Secretary of State's Bills sold per rupee		1s.4·0044d.	1s. 4·087d.	23

*Recorded from
†Represents net
§Include remittances of the
(a) Include remittances of the
(b) Figures for 11 months
(c) Net

Item Number	1916-1917.	1917-1918.	1918-1919.
1	11,21,72,550	12,13,06,110	...
2	...	..	5,73,06,135
3	3,57,66,465	5,91,6[illegible],8[illegible]5	7,64,13,315
4	...	...	.
5	36,64,455	37,58,145	42,86,895
6	...	1,50,00,00,000	..
7	11,56,72,620	1,73,76,00,090	11,47,30,575
8	11,29,52,367	1,72,94,94,174	10,22,96,861
9	2,47,37,70,000	2,44,90,40,000	2,55,30,[illegible]0,000
10	1,60,24,90,000	1,64,35,50,000	1,88,56,[illegible]0,000
11	87,12,80,000	80,54,90,900	66,74,70,000
12	13,23,50,000	25,17,80,000	†—5,56,40,000
13	18,80,00,000	19,04,20,000	67,91,90,000
14	32,03,50,000	44,22,00,000	62,35,50,000
15	55,09,30,000	36,32,90,000	4,39,20,000
16	...	..	...
17	55,09,30,000	36,32,90,000	4,39,20,000
18	§49,04,34,364(a)	§50,63,87,176(a)	(a)28,65,41,000
19	§32,998,095 (a)	§34,880,682(a)	(a) 20,946,314
20	30,77,07,326	23,87,07,287	52,05,35,309
21	$\frac{7}{16}$ (13th Feby. 1917).	55 (21st to 24th Septr. 1917).	50 (28th March 1919).
22	28¾ (10th July 1916).	36$\frac{9}{16}$ (13th to 17th April 1917).	45¼ (8th to 10th Apl. 1918).
23	1s 4·148d.	1s. 4·536d	1s. 5·445d.

1919-1920.	1920-1921.	1921-1922.	Item Number.
...	...	...	1
23,65,28,825	26,60,85,276	27,65,01,700	2
14,42,99,228	26,55,72,106	22,97,57,115	3
...	...	81,61,617	4
50,35,427	1,25,75,011	1,35,27,418	5
...	...	...	6
8,90,70,517	52,34,07,498	49,19,30,108	7
8,22,22,396	51,76,91,284	49,75,33,002	8
3,36,02,20,000	2,67,64,40,000	2,48,65,80,000	9
2,21,70,20,000	3,47,13,50,000	2,89,41,20,000	10
1,14,30,00,000	(c)—79,49,10,000	(c)—31,75,40,000	11
35,33,00,000	2,10,80,000	†—2,86,40,000	12
29,22,90,000	6,48,40,000	15,09,90,000	13
64,55,90,000	8,59,20,000	12,23,20,000	14
49,76,10,000	(c)—88,08,30,000	(c)—43,98,60,000	15
...	...	...	16
49,76,10,000	(c)—88,08,30,000	(c)—43,98,60,000	17
34,54,98,000	...	...	18
31,236,210	...	...	19
37,72,19,758	3,41,30,930	1,60,86,638	20
89¼ (11th Feb. 1920).	72½ (7th April 1920).	43¾ (27th Sept. 1921).	21
48 $\frac{9}{16}$ (4th April and 6th May 1919).	30⅝ (5th March 1921).	32¼ (28th Feb. & 2nd Mar. 1922).	22
1s. 9·691d.	...	...	23

(ix III.

FINANCIAL STATISTICS.

MISCELLANEOUS.

Item Number.	1922-1923, Revised.	1923-1924, Budget.	
			Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works, Telegraphs and the Delhi Capital not charged against Revenue—
1	...	80,86,000	Surplus . . . . . R
2	17,25,35,000	...	Deficit . . . . . R
3	20,18,05,000	38,64,17,000	Capital Expenditure on Railways and Irrigation Works not charged against Revenue . . . . . R
4	1,10,36,000	04,30,000	Capital outlay on the Indian Postal and Telegraph Department not charged against Revenue . . . R
5	1,91,59,000	1,07,00,000	Initial Expenditure on new Capital at Delhi . . R
6	...	...	India's Financial Contribution to the War . . R
7	25,30,36,000	27,65,56,000	Net Public Debt incurred . . . . . R
8	24,07,14,000	27,65,56,000	Net Public Debt incurred, including Capital transactions with Railway Companies . . . . . R
9	(b) 2,82,78,10,000		Value of commodities exported, excluding Gold and Silver . . . . . R
10	(b) 2,24,93,70,000		Value of commodities imported, excluding Gold and Silver . . . . . R
11	(b) 57,84,40,000		Excess of Exports over Imports, excluding Gold and Silver . . . . . R
12	(b) 35,12,00,000		Net Imports of Gold . . . . . R
13	(b)17,09,10,000		Ditto of Silver . . . . . R
14	(b) 52,21,10,000		TOTAL NET IMPORTS OF GOLD AND SILVER . . R
15	(b) 5,63,30,000		Excess of Exports over Imports including Gold and Silver . . . . . R
16	(b)1,01,50,000		Net Imports of Currency Notes[4] . . . . . R
17	(b)4,61,80,000		Excess of Exports over Imports, including Gold, Silver and Currency Notes . . . . . R
18	4,75,00,000		Secretary of State's Bills sold (Rupees) . . . R
19	3,270,000		Sterling Equivalent received . . . . . R
20	63,36,608		Silver coined at the Indian Mints . . . . R
21	37⅛ (22nd May 1922).		Maximum price in pence of an oz. troy standard Silver in London . . . . .
22	30⅛ (15th Dec. 1932).		Minimum price in pence of an oz. troy standard Silver in London . . . . .
23	1s.4·522d.		Average Exchange upon Secretary of State's Bills sold per rupee . . . . .

April 1921.
exports of gold.
Gold Standard Reserve.
Currency Department.
[4]April to February).
(imports.

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COMMERCIAL AND

TABLE I—

	1914 1915.	1915-1916.	Item Number.
Rate of Exchange for the adjustment of transactions between the Indian and Imperial Treasuries	1s. 4d.	1s. 4d.	24
Maximum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta	6 (1st to 30th Apl. and 5th Nov. to 31st Dec. 1914 and 1st Jan. to 31st March 1915).	8 (20th Jan. 1916 to 31st March 1916).	25
Minimum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta	3 (9th July to 5th Aug.).	5 (2nd June to 22nd Sept.).	26
Maximum rate of discount at the Bank of England	10 (from 1st to 5th Aug. 1914).	5 (1st Apl. 1915 to 31st Mar. 1916).	27
Minimum ditto ditto	(from 1st Apl. to 29th July).		28
Maximum Government balances at the Imperial Bank of India R	10,12,86,000 (Aug.).	8,87,07,000 (Aug.).	29
Minimum Government balances at the Imperial Bank of India R	4,84,03,000 (Nov.).	4,42,76,000 (Nov.).	30
Maximum price in Calcutta of 5 per cent. War Loan, 1929—47	...	...	31
Minimum price in Calcutta of 5 per cent. War Loan, 1929—47	...	...	32
Maximum price in Calcutta of 5 per cent. income-tax free loan, 1945—55	...	...	33
Minimum price in Calcutta of 5 per cent. income-tax free loan, 1945—55	...	...	34
Maximum price in Calcutta of Government 3½ per cent. Rupee Securities (Guaranteed)	96-1 (from 14th to 15th and 17th to 25th July 1914).	93-2 (5th to 11th June 1915).	35
Minimum price in Calcutta of Government 3½ per cent. Rupee Securities (Guaranteed)	91-8 (13th to 31st March).	79½ (23rd Dec. 1915 to 6th Jan. 1916).	36
Maximum price in Calcutta of 3 per cent. Rupee Securities	83 (1st April to 4th Aug. 1914).	80 (1st Apl. to 28th June 1915).	37
Minimum price in Calcutta of 3 per cent. Rupee Securities	77 (31st Aug. to 3rd Sept. 1914).	67½ (23rd Dec. 1915 to 6th Jan. 1916).	38

Item Number.	1916-1917.	1917-1918.	1918-1919.
24	1s. 4d.	1s. 4d. and 1s. 5d.	1s. 5d. and 1s. 6d.
25	8 (1st to 13th April 1916 and 9th Nov. 1916 to 21st Feb. 1917).	6 (1st April to 6th Sept. 1917 and 3rd Jany. to 31st March 1918).	7 (16th Jan. to 26th Mar. 1919).
26	5 (22nd June to 13th Sept).	5 (7th Sept. 1917 to 2nd Jany. 1918).	5 (23rd May to 6th Nov. 1918).
27	6 (13th July, 1916 to 17th Jany. 1917).	5½ (2nd to 4th April 1917).	5 (1st Apl. 1918 to 31st Mar. 1919).
28	5 (1st April to 12th July 1916).	5 (5 h April 1917 to 31st March 1918).	
29	10,11,86,000(ar.)	22,65,24,000 (June)	18,60,47,000(Sept.)
30	4,84,33,000 (May)	7,37,68,000 (Nov.)	6,54,89,000 (Apl.)
31	...	...	93
32	...	...	90
33	...	...	...
34	...	...	...
35	82 (7th and 11th to 14th April 1916).	70 (6th to 14th Sep. and 31st Oct. to 17th Feb. 1918).	81 (7th to 21st Nov. 1918).
36	69 (22nd Feb to 2nd March and 20th to 31st March 1917).	67 (20th June to 24th Augt. 1917).	65 (3rd May to 24th June 1918).
37	70 (5th to 20.h April 1916).	60 (6th to 14th Sep. and 31st Oct. to 16th March 1918).	69 (5th to 22nd Nov. 1918).
38	59 (22nd Feb. to 2nd March and 20th to 31st March 1917).	67 (20th June to 24th Augt. 1917).	58 (11th Apl. to 24th June 1918).

1919-1920.	1920-1921.	1921-1922.	Item Number.
1s. 6d., 1s. 8d., 2s., 2s. 4d. and 2s. 9d.	2s. 8d., 2s. 4d., 2s. 2¼d., 2s., 1s. 11d., 1s. 10½d., 1s. 8½d., 1s. 5½d., 1s. 6d. & 1s. 4¾d.	1s. 3½d., 1s. 3¾d., 1s. 3⅝d., 1s. 4d., 1s. 4½d., 1s. 5d., and 1s. 5½d.	24
7 (12th to 31st Mar. 1920).	7 (1st Apl. to 9th June 1920, 18th Nov. 1920, to 2nd Mar. 1921).	8 (16th Feb. to 31st Mar. 1922).	25
5 (5th June 1919 to 14th Jan. 1920.	5 (1st July to 3rd Nov. 1920).	5 (2nd June to 14th Dec. 1921).	26
5 (6th Nov. 1919 to 31st Mar. 1920).	7 (15th April 1920 to 31st Mar. 1921).	7 (1st Apl. to 1st May 1921).	27
5 (1st April 1919 to 5th Nov. 1919).	6 (1st to 14th April 1920).	4½ (16th Feb. to 31st March 1922).	28
18,26,33,000 (Feb.)	20,38,41,000 (July)	25,87,46,000 (31st July).	29
7,04,52,000 (Sept.)	5,84,98,000 (Feb.)	5,34,64,000 (18th Nov).	30
95	90	87	31
90	77	78	32
95¼ to 96	95 to 96	89	33
	78½	80	34
71 (1st April to 17th May).	60 (1st to 16th April 1920 and 5th to 15th January 1921).	62 (30th & 31st May 1921).	35
60 (27th Feb. to 31st Mar. 1920).	52 (1st Nov. to 22nd Dec. 1920).	55-10 (from 3rd March).	36
62 (1st April to 17th May).	50 (1st April to 5th Oct. 1920 and 5th to 15th January 1921).	53 (31st May & 1st June 1921).	37
50 (27th Feb. to 31st Mar. 1920).	42 (1st Nov. to 22nd Dec. 1920).	47 (1st to 4th Apl. 1921).	38

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FINANCIAL STATISTICS—*contd.*

MISCELLANEOUS—*contd.*

Item Number.	1922-1923, Revised.	1923-1924, Budget.	
24	1s. 3¾*d.*, 1s. 3¾*d.*, 1s. 3¾*d.*, 1s. 4*d.*, and 1s. 4⅛*d.*		Rate of Exchange for the adjustment of transactions between the Indian and Imperial Treasuries . .
25	8 (1st to 26th Apl. 1922 and from 11th Jan. 1923).		Maximum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta . . . . .
26	4 (6th July to 25th Oct. 1922).		Minimum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta . . . . .
27	4½ (1st to 12th April 1922).		Maximum rate of discount at the Bank of England .
28	3 (13th July 1922 to 27th Feb. 1923).		Minimum ditto ditto .
29	38,19,07,000 (28th July).		Maximum Government balances at the Imperial Bank of India . . . . . R
30	8,22,54,000 (10th Nov.)		Minimum Government balances at the Imperial Bank of India . . . . . R
31	86—6		Maximum price in Calcutta of 5 per cent. War Loan 1929—47 . . . . .
32	81—6		Minimum price in Calcutta of 5 per cent. War Loan, 1929—47 . . . . .
33	91—4		Maximum price in Calcutta of 5 per cent. income-tax free loan, 1945—55 . . . . .
34	87		Minimum price in Calcutta of 5 per cent. income-tax free loan, 1945—55 . . . . .
35	59 (11th to 16th May 1922 and 26th Feb. 1923).		Maximum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed) . . . . .
36	56—8 (1st to 17th April).		Minimum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed) . . . . .
37	50—9 (9th to 22nd May 1922 and from 26th Feb. 1923).		Maximum price in Calcutta of 3 per cent. Rupee Securities . . . . .
38	47—12 (1st to 18th April 1922).		Minimum price in Calcutta of 3 per cent. Rupee Securities . . . . .

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COMMERCIAL AND

TABLE I—

		1914-1915.	1915-1916.	Item Number.
Maximum amount outstanding on London Register of Rupee Securities enfaced for interest Drafts	R	9,95,58,000 (Apl.)	9,66,98,000 (Apl.)	39
Minimum amount outstanding on London Register of Rupee Securities enfaced for interest Drafts	R	73,00,000 (Mar.)	8,81,17,000 (Dec.)	40
Maximum price in London of 3½ per cent. (Rupee Securities in Gold)	R	63¾ (May)	No quotation.	41
Minimum price in London of 3½ per cent. (Rupee Securities in Gold)		63 (July)		42
Maximum price in London of India 3½ per cent. Stock		90½ (Apl.)	82⅞ (May)	43
Minimum ditto ditto		80⅝ (Mar.)	80¾ (Apl.)	44
Maximum price in London of India 3 per cent. Stock		77½ (Apl.)	70½ (Apl.)	45
Minimum ditto ditto		69½ (Mar.)	69½ (Apl.)	46
Maximum price in London of India 2½ per cent. Stock		64 (Apl.)	59⅛ (Apl.)	47
Minimum ditto ditto		58 (Jan.)	57 (May)	48
Maximum price in London of 7 per cent. Stock		...	...	49
Minimum ditto ditto		...	...	50
Maximum price in London of 5½ per cent. Stock		...	...	51
Minimum ditto ditto		...	...	52
Maximum price in London of 4½ per cent. Stock		...	...	53
Minimum ditto ditto		...	...	54
Maximum Government Paper Currency outstanding	R	75,44,53,000 (July)	69,03,10,000 (July)	55
Minimum ditto ditto	R	59,54,67,000 (Feb.)	60,24,42,000 (Apl.)	56
Number of Post Office Savings Banks		10,161	10,386	57
Number of accounts in Post Office Savings Banks		1,644,074	1,660,424	58
Amount deposited in Savings Banks	R	14,89,26,323	15,32,12,517	59
Average of each deposit		90·58	61·94	60
Net addition to deposits	R	—8,27,49,144	42,89,227	61

Item Number.	1916-17.	1917-1918.	1918-19
39	8,76,76,000 (Apl.)	8,06,95,090 (Apl.)	8.17,24,000 (Mar.)
40	8,30,42,000 (Mar.)	7,47,56,00 (Mar.)	7,34,70,000 (July)
41	No quotation.	52	54
42		44⅛	44
43	80⅞	69⅛	74
44	62¾	61¾	62
45	69⅜	60¼	64
46	55¼	53	53¼
47	57⅛	50	53⅛
48	47	45⅛	44⅛
49	...	...	...
50	...	...	...
51	...	...	...
52	...	...	...
53	...	...	...
54	...	...	...
55	86,37,52,000(Mar.)	1,14,76,87,000, (Oct.)	1,53,46,46,000 (Mar.)
56	65,46,80,000 (Apl.)	82,72,35,000 (Apl.)	1,05,96,05,000 (Apl.)
57	10,421	10,975	10,587
58	1,647,419	1,637,600	1,677,407
59	16,59,53,401	16,58,46,470	18,82,44,749
60	100·73	101·27	112·22
61	1,27,40,884	—1,06,931	2,23,98,279

1919-1920.	1920-1921.	1921-1922.	Item Number.
8,16,74,000 (Apl.)	6,65,19,000(Apl.)	7,80,08,000(Feb.)	39
7,43,58,000(Dec.)	6,13,12,000 (Sep.)	6,36,30,000 (Apl.)	40
74	63¾	42½	41
49⅓	33½	34½	42
69⅞	61	63¼	43
54⅓	51⅓	55⅕	44
60¾	53	55½	45
47⅓	43½	47⅓	46
50¾	43	46½	47
40	37⅝	39¾	48
...	...	108¼	49
...	...	102½	50
...	...	94¼	51
...	...	59¾	52
...	...	...	53
...	...	...	54
1,85,14,79,000 (Jan.)	1,70,73,89,000 (April)	1,79,71,49,000 (Oct).	55
1,53,72,07,000 (April)	1,57,62,82,000 (Sept.)	1,67,31,85,000 (Apl).	56
10,670	10,713	10,758	57
1,760,442	1,87,957	1,958,324	58
21,34,84,628	22,86,21,716	22,26,24,825	59
121·26	121·73	113·68	60
2,52,39,787	1,51,37,088	59,96,891	61

dix III.

FINANCIAL STATISTICS—*contd.*

MISCELLANEOUS—*contd.*

Item Number.	1922-1923, Revised.	1923-1924, Budget.	
39	10,50,48,000 (Nov.)		Max mum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts . R
40	9,68,19,000 (May.)		Minimum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts . R
41	38½		Maximum price in London of 3½ per cent. (Rupee Securities in Gold) . . . . .
42	34½		Minimum price in London of 3½ per cent. (Rupee Securities in Gold) . . . . .
43	69½		Maximum price in London of India 3½ per cent. stock .
44	62½		Minimum ditto ditto .
45	59½		Maximum price in London of India 3 per cent. Stock .
46	53½		Minimum ditto ditto .
47	50½		Maximum price in London of India 2½ per cent. Stock .
48	44½		Minimum ditto ditto .
49	119½		Maximum price in London of 7 per cent. Stock . .
50	108		Minimum ditto ditto . .
51	101½		Maximum price in London of 5½ per cent. Stock . .
52	93½		Minimum ditto ditto . .
53	85½		Maximum price in London of 4½ per cent. Stock . .
54	83½		Minimum ditto ditto . .
55	1,82,26,25,000 (Aug.)		Maximum Govern ment Paper Currency outstanding R
56	1,71,76,07,000 (Apl.)		Minimum ditto ditto R
57			Number of Post Office Savings Banks . . . .
58			Number of accounts in Post Office Savings Banks . .
59			Amount deposited in Savings Banks . . . R
60			Average of each deposit . . . . .
61			Net addition to deposits . . . . . R

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table II.—Capital Expenditure on State Railways in 1921-1922, and Estimated Expenditure on such works in 1922-1923 and 1923-1924, and to end of 1923-1924.

Railways.	To end of 1920-1921.	Accounts, 1921-1922.	Revised Estimate, 1922-1923.	Budget Estimate, 1923-1924.	To end of 1923-1924.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	R	R	R	R	R	R	R	
OPEN LINES.								
State Railways Worked by State.								
Aden Railway . . .	9,89,909	2,25,987	1,99,000	83,000	14,97,896	...	...	
Delhi (new Capital) Railway Works scheme.	3,63,993	11,77,156	27,32,000	26,00,000	68,73,149	...	...	
Eastern Bengal . . .	39,05,69,990	1,12,46,622	71,00,000	1,25,28,000	42,14,44,612	...	...	
Jodhpur-Hyderabad (British Section).	46,17,925	40,951	2,86,000	3,00,000	52,44,876	...	...	
North Western :—								
Commercial . . .	97,79,82,296	2,86,15,379	1,37,12,000	3,21,11,000	1,05,24,20,675	...	...	
Military . . .		16,71,088	51,43,000	16,85,000	84,99,088	...	...	
Oudh and Rohilkhand .	23,88,17,261	68,31 211	80,95,000	1,22,50,000	26,59,93,472	...	...	
Stores	48,74,634	—34,04,228	44,68,000	1,02,14,000	1,61,52,406	...	...	
Abandoned projects . .	32,86,316	...	...	...	32,86,316	...	...	
Karanpura coalfield . .	...	...	14,00,000	...	14,00,000	...	...	
Total State Railways Worked by State .	1,62,15,02,324	4,64,04,166	4,31,35,000	7,17,71,000	1,78,28,12,490	...	...	

OPEN LINES.							
State Railways Worked by Companies.							
Ahmedabad-Dholka	...	...	13,00,000	...	13,00,000	...	...
Agra-Delhi Chord	1,50,35,845	78,278	60,000	1,92,000	1,53,66,123	...	...
Assam-Bengal Part I	17,41,30,999	6,714	45,000	25,000	18,99,92,949	...	...
,, II		52,42,236	50,38,000	46,05,000		...	...
Baran-Kotah	49,50,614	9,197	2,000	10,00 0	49,71,801	...	...
Bengal-Nagpur Railway	48,45,04,356	3,90,19,317	3,15 87,000	3,20,00,000	58,71,10,673	...	...
Bezwada Extension	13,01,807	39,793	70,000	3,86,000	17,97,600	...	...
Bhopal	44,10,784	73,655	63,000	2,48,000	47,95,439	...	...
Bombay, Baroda and Central India.	49,80,40,089	1,69,75,039	2,97,50,000	3,20,00,600	57,67,65,128	...	...
Burma	20,38,72,355	57,66,559	65,90,000	50,97,000	22,55,90,398	...	...
Burma Railway Extensions.		74,484	19,12,000	22,78,000		...	...
Cawnpore-Banda	81,59,740	16,685	50,000	95,000	83,21,425	...	...
Coonoor-Ootacamund	47,42,664	1,81,686	39,000	1,52,000	51,14,750	...	...
Dhone-Kurnool	10,18,342	...	12,000	5,000	10,35,342	...	...
East Indian including South Bihar.	76,05,85,313	2,40,87,918	1,77,80,000	3,04 65,000	83,29,18,231	...	...
Great Indian Peninsula Railway System	70,85,65,580	2,23,56,529	86,69,000	3,17,96,000	77,13,27,109	...	...
Lucknow-Bareilly	1,39,19,285	75,633	26,82,000	3,50,000	1,70,26,918	...	...
Madras and Southern Mahratta Railway.	40,53,98,251	81,65,722	85,11,000	1,84 60,000	44,05,34,973	...	...
South Indian	16,66,75,770	1,40,96,625	1,51,44,000	1,66,28,000	21,25,44,395	...	...
Southern Shan States (Thazi Aungban).	1,63,17,450	4,36,244	1 34,000	75,000	1,69,62,694	...	...
Carried over	3,47,16,29,234	13 ,67,(1,714	12,93,78,000	17,18.67,000	3,91,25,75,948	...	...

Appendix III—*continued.*

TABLE II—*contd.*

RAILWAYS.	To end of 1920-1921.	Accounts, 1921-1922.	Revised Estimate, 1922-1923.	Budget Estimate, 1923-1924.	To end of 1923-1924.	Sanctioned outlay.	Balance remaining unspent.	REMARKS.
	R	R	R	R	R	R	R	
Brought forward .	3,47,16,29,234	13,67,01,714	12,93,78,000	17,48,67,000	3,91,25,75,948			
Tinnevelly Quilon (British Section).	43,67,521	5,228	50,000	1,10,000	45,32,749	...	...	
Tinnevelly Quilon (Indian State Section).	1,18,69,573	13,72,695	3,78,000	1,10,000	1,37,30,268	...	...	
Tirhoot Railway and Extensions.	8,20,77,267	12,89,641	17,70,000	15,00,000	8,66,36,908	...	...	
TOTAL STATE RAILWAYS WORKED BY COMPANIES.	3,56,99,43,595	13,93,69,278	13,15,76,000	17,65,87,000	4,01,74,75,873	...	...	
TOTAL OPEN LINES	5,19,14,45,919	18,57,73,444	17,47,11,000	24,83,58,000	5,80,02,88,363	...	...	
LINES UNDER CONSTRUCTION.								
State Railways worked by State.								
Khyber Railway (Military line).	10,39,707	61,72,587	69,87,000	54,00,000	1,95,99,294	1,96,85,820	86,526	
State Railways worked by Companies.								
Amda Jamda . . .	28,33,492	29,47,249	38,07,000	28,33,000	1,24,20,741	73,17,636 (*a*)		(*a*) Revised Estimate awaited.
Bermo Duneya Section—	78,000	1,64,581	9,63,000	2,52,000	14,57,581	26,37,771 (*a*)		
East Indian Railway share.								
Bengal Nagpur Railway share.	98,199	5,88,050	9,63,000	3,63,000	20,12,249			

Bombay Harbour Branch Extension.	35,85,058	12,99,481	13,95,000	16,55,000	79,34,539	71,97,901 (*b*)		(*b*) Estimate amounting to R97,66,289 is under consideration.
Vizagapatam Harbour.	9,77,115	3,36,536	7,05,000	...	20,18,651	(*c*)		(*c*) Construction estimate not yet received.
Itarsi-Nagpur and branch to Pench Valley Coalfields.	2,77,62,630	23,26,605	10,50,000	45,36,000	3,56,75,235	3,09,83,163 (*d*)		(*d*) A revised estimate for Division No. 4 is under consideration.
Kasta Branch	14,87,000	8,75,716	2,43,000	...	26,05,716	26,04,683		
Onlajori Badampahar Branch	12,59,316	8,86,529	2,46,000	...	23,91,845	30,15,595	7,23,750	
Parvatipore Singapore Road.	3,00,426	9,468	...	...	3,09,894	40,31,059 (*e*)	37,21,165	(*e*) The project is at present in abeyance.
Majri Rajpur	...	1,76,564	10,00,000	14,20,000	25,96,564	22,11,387(*f*)		(*f*) Revised estimate amounting to R31,16,831 is under consideration.
South Karanpura Coalfields—								
Bengal Nagpur	...	76,222	2,84,000	11,41,000	15,01,222	31,63,385 (*g*)	1,58,026	(*g*) Revised estimate awaited.
East Indian	...	6,137	4,64,000	10,34,000	15,04,137			
Dholka-Dhanduka	5,73,767	5,26,209	15,00,000	4,76,000	30,75,976	31,03,674	27,698	
Talchir Coalfields	...	...	5,43,000	45,00,000	50,43,000	...		
,, prospecting survey.	...	...	97,000	...	97,000	96,613*		*Construction estimate awaited.
Hesla Chandil	...	...	2,00,000	45,00,000	47,00,000	...		
South Karanpura prospecting survey.	...	...	2,24,000	...	2,24,000	2,21,376*		
TOTAL LINES UNDER CONSTRUCTION.	3,99,94,710	1,63,91,934	2,06,71,000	2,81,10,000	10,51,67,644			
Lapse in 1922-23, to be re-allotted in 1923-24.	...	...	...	8,63,95,000	8,63,95,000			
Reserve	...	...	...	78,16,000	78,16,000			
Readjustment of capital outlay in England of Railway Companies at the average rate.	—26,12,021	1,20,56,247	...	...	94,44,326			
Deduct—Lapses anticipated.	...	...	—91,59,000	...	—91,59,000			
TOTAL—Carried over	5,22,88,28,608	21,42,21,725	18,62,23,000	37,06,79,000	5,99,99,52,333			

Appendix III—*continued.*

TABLE II—*contd.*

RAILWAYS.	To end of 1920-1921.	Accounts, 1921-1922.	Revised Estimate, 1922-1923.	Budget Estimate, 1923-1924.	To end of 1923-1924.	Sanctioned outlay.	Balance remaining unspent.	REMARKS.
	R	R	R	R	R	R	R	
Brought forward .	5,22,88,28,608	21,42,21,725	18,62,23,000	37,06,79,000	5,99,99,52,333			
Provincial—								
Jorhat	11,41,094	1,43,042	...	...	12,84,136			
United Provinces—Resin distillery .	1,72,931	...	...	...	1,72,931			
Burma	19,51,576	35,19,690	...	...	54,71,266			
GRAND TOTAL .	5,23,20,94,209	21,78,84,457	18,62,23,000	37,06,79,000	6,00,65,80,666			
Distributed as under—								
CAPITAL EXPENDITURE ON RAILWAYS (not charged to Revenue)—								
53. Construction of Railways . . .	3,84,00,86,214	22,96 38,935	20,16,05,000	38,63,95,000	4,65,77,25,149			
Total undischarged liability involved in the purchase by the State of the Capital of the Old Guaranteed Railway Companies .	1,24,91,47,240*	—1,54,17,210*	—1,53,82,000	—1,57,16,000	1,20,26,32,030			

CAPITAL EXPENDITURE ON RAILWAYS (charged to Revenue)—								
13. Construction of Railway—								
Central	13,31,95,909	...	...	...	13,31,95,909			
Provincial . .	96 64,846	36,62,732	...	...	1,33,27,578			
Total as above .	5,23,20,94,209	21,78,84,457	18,62,23,000	37,06,79,000	6,00,68,80,666			

*

Class and name of Railway.	Total initial liabilities.	DEDUCT— Amount redeemed by annuities.	DEDUCT— Amount redeem d by sinking fund.	Total undischarged liabilities.
	R	R	R	R
State Railways worked by the State--				
Eastern Bengal Railway. . . .	4,92,01,450	58,87,060	28,82,270	4 04,32.120
North Western Railway	14,00.95,290	1,77,87.640	2,36,68,270	9,86.39,380
Oudh and Rohilkhand Railway . .	10,33,60,490	...	...	10,33.60,490
Total .	29,26 57,230	2,36,74,700	2,65,50,540	24,24,31,990
State Railways worked by the Company—				
Bombay, Baroda and Central India Railway	14,48,04,460	...	...	14,48,04,460
East Indian Railway	37,51,10,740	5,84,17.300	4 04.16,880	27.62.76.560
Great Indian Peninsula Railway . .	47,51,06,680	9,54,80.010	...	37,96.26,670
Madras and Southern Mahratta Railway.	14.96,43,580	1,59,78,800	...	13,36,64,780
South Indian Railway	5,69,25,570	...	...	5,69,25,570
Total .	1,20,15,91,030	16,98,76,110	4,04,16,880	99,12,98,040
GRAND TOTAL .	1,49,42,48,260	19,35,50,810	6,69,67,420	1,23,37,30,030

Appendix III—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Gross receipts, working expenses, and net receipts of State Railways for five years ending 1921-22, with Revised Estimates for 1922-23 and Budget Estimates for 1923-24.

(Omitting 000, except in Accounts.)

State Railways.	Accounts.					Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.		
	M.	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*
Open mileage at beginning of year	26,572	26,464	26,106	26,580	26,799	26,952	27,108
	R	R	R	R	R	R	R
Gross Receipts.							
INDIA.							
State Railways worked by the State.							
Aden	1,43,485	2,00,020	—1,20,109	2,69,839	2,50,523	2,28	2,10
Eastern Bengal	3,48,74,771	3,82,07,444	4,45,45,072	4,61,68,642	4,42,96,639	5,32,27	5,38,00
North Western—							
Commercial Lines	12,24,77,224	12,46,94,829	12,32,80,625	12,9[illegible],73,559	11,34,90,666	12,33,45	12,77,65
Military Lines					1,64,24,789	1,78,17	1,90,35
Oudh and Rohilkhand	2,82,00,370	3,29,48,935	3,14,64,244	3,26,48,785	3,31,34,469	3,54,62	3,60,00
State Railways worked by Companies.							
Assam Bengal	72,64,284	79,08,099	1,04,20,975	1,02,65,216	85,15,384	1,16,00	1,20,00
Bengal Nagpur	5 58,76,074	6,19,41,370	6,59,31 392	6,39,37,399	6,67,91,163	7,72,49	8,07,42
Bezwada Extension	5,13,179	5,22,461	5,47,023	5,29,380	6,20,598	6,28	6,65
Bombay, Baroda and Central India System	8,02,80,536	9,46,92,452	9,67,12,806	9,94,16,377	10,25,31,934	11,76,75	11,80,00

Burma	2,20,65,877	2,63,70,481	2,97,14,049				
Burma Railway Extensions	20,58,705	25,45,496	27,14,727	3,26,29,019	3,51,73,283	4,13,95	4,27,20
Southern Shan States	4,39,884	4,80,827	5,29,400				
East Indian	11,61,42,477	13,43,96,239	13,25,76,404	13,84,16,068	13,38,87,673	14,91,88	16,90,00
Great Indian Peninsula including Indian Midland	10,55,60,401	11,88,02,697	12,60,42,370	12,79,35,857	12,61,70,645		
Agra-Delhi Chord	38,67,179	44,50,953	46,98,873	50,30,667	47,07,855		
Bhopal	9,94,950	11,16,515	11,00,906	12,76,267	12,06,962	14,82,76	14 84 44
Baran-Kotah	1,61,978	1,83,314	1,88,936	1,62,889	1,77,242		
Cawnpore-Banda	3,08,939	3,20,819	3,73,187	3,89,254	4,50,307		
Jodhpore-Hyderabad (British Section)	19,53,656	19,90,444	15,81,739	18,78,972	19,14,178	18.10	18 35
Lucknow-Bareilly	26,74,674	31,54,296	30,02,910	29,81,726	35,02,136	35,7·	36.70
Madras and Southern Mahratta Railway	5,20,76,904	5,42,92,629	5,73,95,956	6,22,45,540	6,55,08,869		
Mysore State lines	41,47,617	44,48,501	41,36,445			7,24,80	7,25,19
Dhone-Kurnool	1,20,216	1,48,714	1,76,829	1,82,083	1,85,177		
South Indian	3,53,61,272	3,58,90,979	4,01,48,113	4,27,06,378	4,59,62,936	5,12,75	5,41,10
Tinnevelly-Quilon	11,46,203	15,11,462	18,44,613				
Tirhoot	92,55,829	1,09,19,483	1,11,33,060	1,09,91,316	1,20,23,949	1,48,11	1,44,85
Exchange	...	...	...	...	...	2,42	2,41
Total Central	63,74,66,634	76,21,39,459	79,01,40,545	80,97,75,233	81,69,27,377	92,02,42	95,52,41
India	68,74,66,634	76,21,39,459	79,01,40,545	80,92,89,163	81,64,42,250	92,02,42	95,52,41
England	16,09,425	3,08,925	7,29,105	4,86,070	4,85,127	4,84	4,83
TOTAL	68,90,76,109	76,24,48,384	79,08,69,650	80,97,75,233	81,69,27,377	92,07,26	95,57,24

Appendix III—*continued.*

TABLE III—*contd.*

STATE RAILWAYS.	ACCOUNTS.					Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.		
	R	R	R	R	R	R	R
Working Expenses.							
INDIA.							
STATE RAILWAYS WORKED BY THE STATE.							
Aden	1,75,253	2,56,014	—48,185	2,16,857	3,24,009	3,06	2,80
Eastern Bengal	2,01,05,680	2,25,04,170	3,02,66,454	2,98,24,284	3,76,49,787	4,31,03	4,10,77
North-Western—							
Commercial lines	5,24,46,336	6,86,38,796	8,04,38,819	10,09,84,480	10,33,44,038	9,71,33	9,18,58
Military lines					2,46,08,721	2,28,75	2,35,81
Oudh and Rohilkhand	1,07,12,455	1,32,83,182	1,82,62,800	1,94,62,004	2,58,18,184	2,70,61	2,43,21
STATE RAILWAYS WORKED BY COMPANIES.							
Assam Bengal	55,08,773	62,66,776	84,18,871	83,01,021	84,38,775	94,37	93,67
Bengal Nagpur	2,63,97,566	3,03,67,272	3,88,42,829	4,38,60,570	5,33,17,921	4,40,95	4,84,09
Bezwada Extension	2,44,255	1,68,179	2,48,211	2,87,307	4,53,144	4,86	10,03
Bombay, Baroda and Central India System	3,50,50,406	4,19,55,223	5,33,70,406	6,75,12,138	7,99,28,942	8,65,00	7,65,00

Burma Railways	1,17,98,856	1,38,97,390	1,62,64,108				
Burma Railway Extensions	11,19,275	14,27,905	17,16,303	2,21,87,533	2,47,26,298	2,50,57	2,43,62
Southern Shan States	4,16,935	4,53,119	5,29,640				
East Indian	4,08,74,776	4,65,18,866	5,88,77,044	7,40,71,007	8,57,40,108	9,84,58	9,77,20
Great Indian Peninsula including Indian Midland	5,71,01,787	6,96,05,861	7,86,59,628	9,67,79,411	11,80,71,491		
Agra-Delhi Chord	17,92,510	25,44,969	29,41,579	38,72,250	43,05,257		
Bhopal	5,29,657	6,37,130	6,90,091	9,82,380	11,03,748	11,38,09	10,81,73
Baran-Kotah	80,989	91,657	94,468	1,62,889	1,16,928		
Cawnpore-Banda	1,79,755	1,99,214	2,54,908	3,19,088	4,34,314		
Jodhpore-Hyderabad (British Section)	8,87,890	9,37,398	10,00,697	12,48,456	15,13,210	17,93	18,08
Lucknow-Bareilly	11,01,609	13,29,501	16,91,503	19,96,187	17,56,898	20,28	19,19
Madras and Southern Mahratta Railway	2,46,21,576	2,68,03,903	3,17,82,724	4,17,61,942	4,59,12,876		
Mysore State Lines	19,91,442	22,00,032	22,76,326			4,77,95	4,83,75
Dhone-Kurnool	73,322	87,891	1,07,174	1,29,3 7	1,39,434		
South Indian	1,52,01,322	1,57,04,971	2,18,16,709	2,56,95,051	3,34,02,156	3,69,07	3,38,08
Tinnevelly-Quilon	6,68,841	7,05,884	11,03,963				
Tirhoot	43,76,248	40,64,400	49,49,391	54,83,297	55,71,764	65,42	61,57
Reserve	...	...	...	...	...	...	14
Deduct—Lapses anticipated	...	...		...	...	*50,00*	*85,82*
TOTAL CENTRAL	31,34,57,514	37,06,49,703	45,45,55,861	54,51,37,464	65,66,78,003	65,83,85	63,01,50

Appendix III—*continued.*

TABLE III—*contd.*

STATE RAILWAYS.	ACCOUNTS.					Revised Estimate, 1922-23.	Budget Estimate, 1923-24.
	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.		
Net Receipts. INDIA.	R	R	R	R	R	R	R
STATE RAILWAYS WORKED BY THE STATE.							
Aden	—31,768	—55,994	—71,924	52,982	—73,486	—78	—70
Eastern Bengal	1,47,69,091	1,57,03,274	1,42,78,618	1,62,84,358	66,46,852	1,01,24	1,27,23
North Western—							
Commercial lines	7,00,30,888	5,60,56,033	4,28,41,806	2,87,89,079	1,01,46,628	2,62,12	3,59,07
Military lines					—81,83,932	—50,58	—45,46
Oudh and Rohilkhand	1,74,87,915	1,96,65,753	1,32,01,444	1,31,86,781	73,16,285	84,01	1,16,79
STATE RAILWAYS WORKED BY COMPANIES.							
Assam Bengal	17,55,511	16,41,323	20,02,104	19,64,195	76,609	21,63	26,33
Bengal Nagpur	2,94,78,508	3,15,74,098	2,70,88,563	2,00,76,829	1,34,73,242	3,31,54	3,23,33
Bezwada Extension	2,68,924	3,54,282	2,98,812	2,42,073	1,67,454	1,42	—3,38
Bombay, Baroda and Central India System	4,52,30,130	5,27,37,229	4,33,42,400	3,19,04,239	2,26,02,992	3,11,75	4,15,00
Burma Railways	1,02,67,021	1,24,73,091	1,34,49,941				
Burma Railway Extensions	9,39,430	11,17,591	9,98,424	1,04,41,486	1,04,46,985	1,63,58	1,83,58
Southern Shan States	22,949	27,708	—240				
East Indian	7,52,67,701	8,78,77,373	7,36,99,360	6,43,45,061	4,81,47,565	5,07,30	7,12,80

Great Indian Peninsula including Indian Midland	4,84,58,614	4,91,96,836	4,73,82,742	3,11,56,446	80,99,154		
Agra-Delhi Chord	15,74,669	19,05,984	17,57,294	11,58,417	4,02,558		
Bhopal	4,65,293	4,79,383	4,10,815	2,93,887	1,03,214	3,44,47	4,02,71
Baran-Kotah	80,989	91,657	94,468	...	60,314		
Cawnpore-Banda	1,29,194	1,21,605	1,18,879	70,171	15,993		
Jodhpore-Hyderabad (British Section)	10,65,766	10,53,304	5,81,042	6,30,516	4,00,968	17	27
Lucknow-Bareilly	15,73,065	18,24,795	13,11,407	9,85,539	17,45,238	15,26	17,51
Madras and Southern Mahratta Railway	2,74,55,328	2,74,88,726	2,56,13,232	2,04,23,598	1,95,95,993	2,46,85	2,41,44
Mysore State lines	21,56,175	22,48,469	18 60,119				
Dhone-Kurnool	46,894	60,823	69,655	52,766	45,743		
South Indian	2,01,59,950	2,01,86,008	1,83,31,404	1,70,11,327	1,25,60,780	1,43,68	2,03,02
Tinnevelly-Quilon	4,77,362	8,05,578	7,40,650				
Tirhoot	48,79,581	68,55,083	61,83,669	55,08,019	64,52,185	82,69	83,28
Reserve	...	...	...	...	...	...	—14
Lapses anticipated in Working Expenses	...	...	...	...	...	50,00	85,82
Exchange	...	...	...	...	...	2,42	2,41
TOTAL CENTRAL	37,40,09,170	39,14,89,756	33,55,84,684	26,46,37,769	16,02,49,374	26,18,57	32,50,91
England	16,09,425	3,08,925	7,29,105	...	...	4,84	4,83
Grand Total	37,56,18,595	39,17,98,681	33,63,13,789	26,46,37,769	16,02,49,374	26,23,41	32,55,74

Appendix III—*concluded.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table IV.—Capital Account of Indian Branch Line Companies.

Railways.	Actuals, 1921-22.		Revised Estimate, 1922-23.		Budget Estimate, 1923-24.	
	Receipts.	Withdrawals.	Receipts.	Withdrawals.	Receipts.	Withdrawals.
	R	R	R	R	R	R
Ahmedabad-Parantij	1,000	926	...	...	...	...
Amritsar-Patti-Kasur	72,000	20,678	...	40	41	58
Baripada Talband including Panposh Raipura.	1,42,326	1,54,370	3,10	3,10	...	...
Branch lines under the Bombay, Baroda and Central India Railway.	...	...	1,32	1,32	9,59	9,59
Central Provinces Railways	11,000	13,289	66	76	25	25
Chaparmukh-Silghat	—32,641	—18,643	82	82	...	...
Dhond-Baramati	...	...	17	20	...	...
Hardwar-Dehra	37,200	36,908	1,10	1,10	2,20	2,20
Katakhal-Lala Bazar	3,47,277	4,31,329	5,50	5,50	91	91
Mymensingh-Bhairab Bazar.	...	...	1,90	1,90	3,10	3,10
Khulna-Bagerhat	10,000	12,931	6	8	98	98
Mandra-Bhaun	...	...	1	9	40	40
Pachora-Jamner	4,000	7,029	26	45	10	10
Sara Serajgunj	10,808	6,313	41	45	5,75	5,75
Sialkot-Narawal	—13,000	—1,080	...	...	...	5
Tapti-Valley	1,46,000	53,129	...	...	...	...
Total	7,36,040	7,17,179	15,31	16,17	23,69	23,86
Net receipts or withdrawals.	18,861	...	...	86	...	17

GCP. Delhi—VIII—483—28-8-23—601.

EAST INDIA (BUDGET).

Return to an Address of the Honourable the House of Commons, dated 30th June, 1924, for

"RETURN OF THE BUDGET OF THE GOVERNOR GENERAL OF INDIA IN COUNCIL FOR 1924-25."

A. HIRTZEL,

Deputy Under Secretary of State.

INDIA OFFICE,

1*st July*, 1924.

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GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

BUDGET FOR 1924-25.

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Budget for 1924-25.

INTRODUCTORY.

Sir,

If precedent had been followed, I should not now be opening my Budget. It has been the practice in past years for the financial statement to be made on the morning of the 1st March, and to be followed immediately by a motion for leave to introduce the Finance Bill. This year, I propose to introduce the Finance Bill on the 1st of March as usual: but, I make my financial statement to-night out of regard for the convenience of almost every one concerned, except perhaps the Finance Member. The commercial community will be glad of the opportunity to study the budget announcements overnight instead of in the middle of a busy day; and I am also glad to be able to afford some slight relief to the devoted band of officials who, on past occasions, have been kept at work all night in order to bring a new financial statement safely into the world in the morning. I am told that a record is being created in the presentation of the Government of India's Budget on the 29th February. But the choice of February 29th has no significance except that it happens this year to be the day before the 1st of March. The suspicion that to-day was chosen in order to enable us to impose taxes, which are annual taxes, until the 29th February, 1928, is, I hasten to assure the House, unfounded.

2. I had occasion a year ago to lament that I could not give exact figures for 1922-23 and had to be content with what I described as nothing more than a second guess, on the basis of nine or ten months' figures, of what the actual outturn would be of the Budget for the year then about to close. I had even better reason than I knew for this complaint. The figures which I then gave for 1922-23 showed revenue at a total of 121 crores and expenditure at a total of 138¼ crores, leaving a deficit of 17¼ crores. The actual figures show that I over-stated the deficit by no less than 2¼ crores. Revenue amounted to 121·41 crores and expenditure to 136·43 crores, leaving a deficit of 15·02 crores. The improvement was mainly under the head of Military Expenditure, where, in addition to other minor improvements, a sum of £800,000 provided as the Indian share of the cost of disbanding surplus troops was not, in the end, utilised. In view of this important difference between the revised Budget figure, to which some prominence is given in the annual Budget Statement, and the actual outturn, which receives practically no publicity, there will be bound up and circulated with the Budget speech a comparative table showing the actual outturn for each of the last ten years, which will, I think, be convenient to those who desire to study our finances.

3. My inability to present anything more than a second guess is even more vexing this year than it was a year ago. Last year, unhappily, the only question was how large the actual deficit would be; this year it may

well be that the progress of revenue and expenditure in the last two months of the year may make all the difference between a surplus and a deficit on ordinary revenue. In every year but two of the last ten years the final outturn of the year has proved more favourable than the revised budget estimates have indicated.

4. The Budget estimates as finally settled a year ago provided for a surplus of 81 lakhs. The estimated revenue amounted to 134·90 crores and the estimated expenditure to 134·09 crores. I warned the House more than once that neither on the revenue nor on the expenditure side could the figures in the Budget estimates be counted upon with any great assurance. The revenue figures were arrived at in a spirit of some optimism as to the prosperity of trade and commerce not altogether justified in the light of European conditions, while the expenditure figures assumed that we should succeed in introducing and giving full effect to retrenchments recommended by the Inchcape Committee with much greater rapidity than a cautious Finance Member could promise. The information available at the present date makes it clear that our revenue estimates were unduly sanguine. On the other hand, I am glad to be able to inform the House that we have succeeded in reducing expenditure to a figure considerably below the Budget estimate. The present indications are that the total revenue will amount to 129·52 crores as against an estimate of 134·90 crores and the total expenditure to 129·90 crores as against an estimate of 134·09 crores, leaving a deficit on ordinary revenue of 38 lakhs. I leave out of account a windfall, of which I shall have more to say later. I mention it here only in order to bring out the happy fact that, while the margin between ordinary revenue and expenditure, on the basis of our revised Budget, is so narrow as to make it impossible, till final figures are available, to say for certain whether there is a surplus or a deficit, we are (even on the most unfavourable assumption) sure of a considerable realised surplus after taking extraordinary revenue into account.

Review of the Year 1923-24.

Revenue.

5. As in 1922-23, so in 1923-24, we based our estimates on hopes not indeed of a boom in trade, but of a steady revival of which there seemed to be some signs early in the year. These hopes have, once again, not been fulfilled, although it seems likely that there will be in 1923-24 a record surplus of exports over imports. During the first ten months of the financial year, the surplus in value of exports of merchandise amounts to 103·47 crores as against 62¾ crores in the corresponding period last year and an adverse balance of 29·60 crores the year before. The net imports of bullion, although substantial, have not reached the figures of 1922-23, with the result that there remains a net balance after allowing for bullion of 63·42 crores in favour of India as against 20½ crores a year ago and adverse balance of 33 crores in the first ten months of 1921-22.

General.

6. The volume of our export trade has continued to expand. The chief increase is under grain and pulse, where it amounts to 600,000 tons in the first nine months of 1923-24, due almost entirely to a resumption of exports of wheat; but with scarcely any exception every class of goods shows some increase. This is true of imports also, which show a serious decline in two cases only. In one of these the House will be specially interested. The imports of coal into India fell by exactly a third, or by 284,000 tons

in the first nine months of the current year when compared with those of the corresponding period of 1922-23. "Grey twist and yarn" and "Grey piece-goods" also declined, but the quantity of practically every other class of imports has increased, while at the same time there has usually been a small fall in values. The year has been one of fairly steady, though at times difficult trade, but favourable to India in the balance.

7. Prices of Indian products have on the whole remained remarkably steady throughout the year, with the exception of raw cotton which, owing to the uncertainty and the eventual shortage of the American supply, has been subject to considerable fluctuation. In November 1923 cotton prices reached their highest level since 1918. This has inevitably reacted upon the activities of the cotton industry. Food grains, on the other hand, have fallen steadily since April and the wholesale price of cereals in Calcutta in December last was only 5 per cent. above the level at the end of July 1914. Sugar showed a tendency to advance, whilst tea has been obtaining record prices. The prices of raw jute have been consistently below those prevailing at the similar periods in the preceding year.

The close of 1923 was characterised by somewhat firmer prices for raw materials in the chief markets of the world, and it is fair to say that there is a greater sense of security among producers and merchants than at this time last year. The period of large returns has, however, passed and several industries have still to adjust themselves further to lower rates of profit.

Customs.

8. The slow recovery of trade and the fall in prices of imported articles have resulted in our being once again disappointed in our Customs receipts. The actual figures for Customs receipts up to the end of January point to a net revenue for the year of 40·42 crores as compared with the Budget estimate of 45·10 crores. *Sugar* provides 1,15 lakhs less revenue than we had anticipated, and it is evident that under this head insufficient allowance was made for the reduced tariff valuation. While the volume of imports of other articles has in most cases not been unsatisfactory, the amount collected on account of our *ad valorem* duties has declined. We anticipated a decrease of 73 lakhs under imports of *piece-goods*, 58 lakhs under *metals*, and 35 lakhs under *cutlery and hardware*, while owing to adverse conditions in the Bombay mill-industry the *excise duty* on *cotton manufacturers* will fall short of the Budget by 38 lakhs.

9. To the extent of about 50 lakhs the failure of Customs revenue to fulfil our expectations is due to the decision of the Bombay High Court that stores imported by Railway Companies working State lines come under the definition of "Government stores" and have to be passed free of duty. An appeal has been preferred to the Privy Council against this judgment. If we are successful, we shall recover 50 lakhs from the Company managed Railways which will go to the Revenue side of the Budget of 1923-24. If, however, we are not successful, we shall not only fail to realise the 50 lakhs in question but we shall have to pay to the Railway Companies a further sum, estimated at about 2 crores, by way of refund of duty collected from them after the definition of "Government stores" on which we had always hitherto acted was brought into question before the Courts.

Railways.

10. The Budget estimate of gross receipts from Railways was placed at 95·57 crores. During the earlier part of the financial year the published figures of weekly earnings were unsatisfactory. They were considerably affected during the monsoon

and again in December by breaches in important lines due to flood and storm. Since the middle of December, however, there has been a striking improvement in gross receipts which enables us to place our estimate for the whole year at the figure of 94·22 crores, which is only 1⅓ crore less than the Budget estimate. On the other hand, we have effected a material reduction in working expenses and, in addition, the outgoings under the head of Programme Revenue expenditure have been less than we expected, and I may add, less than is really desirable in the interests of our Railway properties. The total saving in working expenses, as compared with the Budget, amounts to 1·93 crores. We thus anticipate an improvement of 58 lakhs in our net receipts.

Opium. Posts and Telegraphs.

11. Opium receipts exceed the estimate by 38 lakhs, but there is a decline of 22 lakhs in the net gain to Central revenues from the Posts and Telegraphs Department.

Interest, Currency, etc.

Under the heads of "Interest", "Currency" and "Miscellaneous", there is an improvement of 1,42 lakhs, largely due to the higher price for short money in London and to the fact that favourable opportunities for remittance have enabled us to build up large reserves in sterling which will be very useful to us during the coming year.

Salt.

12. Honourable Members will not suspect me of forgetting Salt. The Budget provided for a total salt revenue of 11¾ crores, including the additional 4½ crores expected from the doubling of the duty. Circumstances which are not unfamiliar have had the effect of seriously interfering with the normal progress of salt revenue during the year. To begin with, there were very large issues of salt during January and February 1923, in anticipation of the enhancement of the duty. The hope of profiting by a reduction in duty in 1924-25 has now led traders, especially in Northern India, to reduce their stocks as far as possible. An examination of past statistics shows that the issues against consumption in a normal year would amount at the present time to approximately 4,95 lakhs of maunds. The actual issues for 1923-24 are expected to amount to about 3,80 lakhs of maunds. The over-issue during January and February 1923 may be put at approximately 36 lakhs of maunds, so that something like 80 lakhs of maunds represents the amount of salt which would have been issued but for the anticipation of a reduction of duty in the present Budget. I may add that I have been unable to find any evidence that the restricted issues have been accompanied by any reduction in actual consumption. In the result, we now anticipate that our total revenue from salt in 1923-24 will amount to 8¾ crores, which is 3 crores less than the estimate.

Expenditure.

Opium.

13. The only important excess of expenditure over the estimate occurs under the head " Opium ". It will be remembered that a supplementary grant of 77 lakhs was voted during the July session to enable us to meet an excess of payments to cultivators in the United Provinces and in the Central India States due to an increase in the outturn of the last crop. It is now expected that the excess will actually amount to 70 lakhs.

Discount on Treasury Bills, Interest on Rupee loans, etc.

14. There has been a substantial saving on the Budget provision for discount on Treasury Bills which reflects the great improvement in our ways and means position. On the 31st March 1922, Treasury Bills outstanding

with the public reached the formidable total of 54 crores. This figure had been reduced to 22 crores on the 31st March 1923. On the 31st March 1924, it will be approximately 2 crores. It is not necessary for me to emphasise the great gain to our financial security which these figures disclose. With a large amount of debt maturing from day to day, all within a few months, we were in a serious position if any unhappy emergency had arisen. The Finance Department's constant anxiety was to know how to find the money if Treasury Bills had to be repaid, and they were often at the mercy of the market if the bills had to be renewed. The market also appreciates its release from constant demands by the Government for short money. Indeed, such is the perversity of human nature that the complaint now tends to be that there are not enough Treasury Bills to go round. The favourable rate at which the current year's rupee loan was issued has also resulted in a saving on the Budget provision for charges connected with new loans. There has been a small excess in the provision for new sterling loans owing to our having raised 18 million pounds in London instead of the 15 million pounds tentatively entered in the Budget statement. On the whole, we expect a saving of 74 lakhs in the gross interest charges on our debt.

Sinking funds.

15. Under the head of sinking funds, there is a net saving of 80 lakhs, as we have found it unnecessary, owing to the improved state of the Government securities market, to use any portion of the additional provision of 80 lakhs which has been made during the last few years for supporting the two long-term 5 per cent. rupee loans.

Military expenditure.

16. The Budget estimates of Military expenditure for 1923-24 amounted to 65·05 crores gross and 62 crores net. As has already been announced to the House, full effect has now been given to the reductions in British troops proposed by the Retrenchment Committee except in the case of one cavalry regiment and, though the full resulting economies will not accrue until 1924-25, His Excellency the Commander-in-Chief has found it possible by means of various economies to reduce the established charges of the Military services for 1923-24 to 60¼ crores as against the figure of 61·94 crores included in the original estimate. A non-recurrent credit of 2¼ crores from consumption or disposal of surplus stores was provided for in accordance with the recommendations of the Retrenchment Committee. The actual credit will amount to approximately 3 crores. On the other hand, the latest stimate of special expenditure in Waziristan is about 2 crores as against the figure of 1·69 crores included in the Budget. Gratuities, etc., for demobilised officers, for which 62 lakhs was provided, will cost us 1½ crores.

17. All these figures include sterling expenditure converted into rupees at 16*d.*, and on this basis the revised Military estimate stands at 60·20 crores net. From this total a sum of 46 lakhs has to be deducted representing the saving under the head of Exchange, making the net figure 59·74 crores—a total saving of 2,26 lakhs or, if exchange be excluded, of 1,80 lakhs.

18. The non-recurrent saving of 3 crores in respect of stores has of course been a prominent factor in keeping down our Military expenditure in 1923-24. Our position has also been materially assisted by a non-recurrent receipt of 41 lakhs. During the war temporary lines were constructed for a number of Indian Battalions raised for the British Government, and the cost of these lines was charged to the British Government. Since the termination of the war the lines have been gradually disposed of,

but the British Government have only recently accepted our contention that the sale-proceeds belong to the Indian exchequer in consequence of the arrangement arrived at when the further contribution towards the expenses of the war was agreed to by India.

19. There has also been a saving of ½ crore under other heads of Civil Expenditure, but the largest saving on the expenditure side occurs under the head "Exchange". The rate of exchange has, except for a few days, stood above the figure of 1*s.* 4*d.* assumed for the purposes of the Budget for 1923-24. It has stood above 1*s.* 5*d.* almost continuously since November and the average rate for the current financial year is expected to work out to approximately 1*s.* 4½*d.* The resultant saving in net expenditure outside India, including Military expenditure and expenditure on commercial services chargeable to revenue, amounts to 1,28 lakhs. In addition, there is a saving in exchange of approximately 50 lakhs in respect of capital expenditure.

Exchange.

20. The above variations in revenue and expenditure are summarised below:

Summary.

	(In lakhs of rupees.) (+Better	—Worse)
Customs revenue, less	...	4,68
Salt revenue, less	...	3,05
Opium revenue, more	38	...
Net receipts from Railways, more	58	...
Net receipts from Posts and Telegraphs, less (62 lakhs of the deterioration is nominal, due to the debit to the Department for the first time of the cost of pensions and to payment made for the stock of postage and telegraph stamps which have now been taken over by the Department)	...	1,24
Interest, Currency and Miscellaneous receipts, more	1,42	...
Military receipts, more	1,17	...
Loss by exchange on revenue realised in England as compared with 1*s.* 4*d.* rate assumed for Budget	...	13
Minor variations	17	...
Total	3,72	9,10
Net deterioration in revenue	—5,38	
Opium expenditure, more	...	70
Saving under expenditure on stamps and superannuation allowances and pensions owing to transfers to the Posts and Telegraphs Department (see explanation above under Posts and Telegraphs receipts)	62	...
Saving in interest chargeable to Posts and Telegraphs and in capital outlay of the Department charged to revenue	40	...
Saving in gross interest payments	74	...
Smaller interest recoveries from Provincial Governments	...	25
Saving in provision for sinking funds	80	...
Saving in gross Military expenditure	63	...

	(In lakhs of rupees). (+Better	—Worse).
Saving in exchange on gross expenditure in England as compared with 1s. 4d. rate assumed for Budget	1,41	...
Minor variations (mainly savings in Civil expenditure)	54	...
Total	5,14	95
Net saving in expenditure	+4,19	
Net deterioration on Budget anticipations	—1,19	
Surplus in Budget	81	
Deficit now anticipated	38	

Realised Surplus.

Windfall.

21. So far I have been dealing only with ordinary revenue and expenditure. The figures are so nearly equal that, although they point to a small deficit, it would not be surprising to find that the final figures show, after all, a small surplus on the ordinary Budget. We have, however, been fortunate enough to come in for a valuable legacy. There are certain sums which have for some time been lying in suspense and which represent the profits from the control of enemy ships and similar items. It has not hitherto been possible to say how much, if any, of these sums could be credited to Indian revenues. A great number of intricate problems had to be cleared up first and even to-day there is still some possibility of counterclaims being established against a portion of the amounts in question. But we are able to say with fair certainty that £3¼ millions (equivalent at 1s. 4½d. to 4·73 crores) representing profits from the control of enemy ships belong to India. Out of this sum the Government of India propose to reserve 25 lakhs for the payment of *ex gratia* grants to private individuals in consideration of losses suffered through enemy action. If the whole of the remainder of this windfall were credited to the revenue of 1923-24, there would be a surplus (including both ordinary and extraordinary revenue) of over 4 crores after allowing for the deficit of 38 lakhs provisionally entered on ordinary account.

22. In the absence of any special arrangement this surplus would, in the ordinary course, go automatically to debt reduction, and, in view of the deficits of previous years, it is clearly desirable that as much of it as possible should be so applied. An item of extraordinary revenue of this sort ought not to be used for meeting ordinary recurrent expenditure or, indeed, any expenditure normally chargeable against ordinary revenue. We have, however, still to provide the means of meeting the special charge of 2 crores for repayment to the Railways of customs duty on imported railway materials if the case goes against us in the Privy Council. This expenditure is, indeed, part of the expenditure properly chargeable to 1923-24 if it eventually has to be incurred. I therefore propose to retain 2 crores out of the available surplus temporarily in suspense pending the decision of the Privy Council. The remainder of the surplus, estimated at present at approximately 2,06 lakhs, will be applied automatically to the reduction or avoidance of new borrowings for capital expenditure.

GENERAL.

23. I do not propose to go again over the ground which I covered a year ago in reviewing the position of India's finances at the close of 1922-23. Broadly speaking it may be said that both in the provinces and in the Central Government the era of unbalanced budgets has now been brought to an end. We have got rid of practically all our embarrassments in regard to floating debt and can face the necessity of meeting short-term bonds which mature in the next few years with confidence. There is no longer any fear of our being forced to undesirable expedients, such as currency inflation, in order to meet our outgoings. And if the time has not yet come at which we can replace the present statutory, but inoperative, ratio of 2*s*. gold to the Rupee by an effective ratio, this is due not to our inability to maintain our currency in a sound condition but to a continuance of economic instability in other parts of the world, which makes immediate stabilisation unattractive.

24. The improvement in our position is happily reflected in the improved market price of all our rupee securities. On the 15th February, 1923, the 5 per cent. tax-free loan 1945-55 was quoted at ₹88-10; on the 15th February 1924 it was quoted at ₹98. The quotation for the 5 per cent. loan 1929-47 has risen in the same period from ₹82-10 to ₹93-2. In 1923 we were able for the first time since 1919 to raise money by a long-term issue, and the improved quotations which I have mentioned give us good reason to hope that we may do even better in 1924-25. More important still, the general improvement in our position should enable us, as I shall show later on when I come to the Ways and Means Budget for the coming year, to avoid any new borrowing in London.

Post Office Cash Certificates.

25. One striking feature of the year 1923-24 is the increased popularity of our Post Office Cash Certificates. Originally issued in 1917, these certificates, thanks to a strenuous campaign for saving, were taken by the small investor to a total of 8 crores net during the period ending 31st March 1919. From that time onwards, year by year, repayments considerably exceeded new purchases and on the 31st March 1923 the total outstanding had been reduced to 3 crores. There is nothing which will give a greater stimulus to economic progress in India than the extension of the saving habit. The year 1923-24 has seen a very hopeful development in this direction. From the 1st April 1923 the terms on which Post Office Cash Certificates were issued were improved, so that they now offer a net yield of 6 per cent. compound interest to those who hold them till maturity. At the same time as the issue of new certificates began, endeavours were made in various directions to popularise them, with the result that during the ten months ending the 31st January 1924 a total of 6 crores gross and 4½ crores net (after allowing for repayments) was invested in this way to the great advantage both of the small investor who lent us the money and of the Government of India who borrowed it, as well as of the Indian people as a whole who are richer individually by the amount of their savings and collectively by the productive capital assets in which these savings have been invested. It may shortly be necessary to reconsider the terms on which cash certificates are issued if, as seems probable, the Government of India are able to place rupee loans in the open market on terms which show a considerable improvement on the yield of about 5¾ per cent. subject to tax at which last year's loans were issued. But it is my earnest hope, and I trust that

all Members of the Legislature will use their influence in the same direction, that the habit of investing in Post Office Cash Certificates will go on spreading throughout India and that both the number of small investors who take to the habit and the aggregate volume of their purchases will go on increasing.

26. The holders of all our securities in India have benefited by the general improvement in the outlook for Government finances, and not least those holders of our 3½ per cent. rupee debt who bought or subscribed for that stock before the war at or near par. It will be remembered that the question of doing something to assist such holders was carefully examined a few years ago. But the conclusion reached, and indeed it was the only possible conclusion, was that the sound and sure way of alleviating their position is to restore the general stability of our finances. The rise in the quotation of the 3½ per cent. rupee paper from its lowest point of ₹52 to a maximum figure of ₹66-2 during 1923, and the further rise which occurred early this month, when seasonal influences might have been expected to depress the price, is an earnest of what we may hope will prove a permanent recovery.

Debt.

Debt.

27. I now come to our debt position. The figures which I am about to give are in a new form which is, I think, more comprehensive and accurate than the form hitherto adopted. The total debt of the Government of India on the 31st March 1924 will be constituted as follows:

	(Rs. Lakhs.)	
In India—		
Loans	3,58,79	
Treasury Bills in the hands of the public	2,13	
Total in India	...	3,60,92
In England (at Rs. 15)—		
Loans	3,64,22	
War contribution	28,90	
Total in England	...	3,93,12
Unfunded—		
Post Office Savings Banks	24,87	
Cash Certificates	8,51	
Provident Funds, etc.	39,97	
Total unfunded	...	73,35
		8,27,39
Add—		
The Capital value of the liabilities undergoing redemption by way of Terminable Railway Annuities, amounting, on 31st March 1924, to £60,095,485, or at Rs. 15		90,14
Total debt		9,17,53

I have excluded Treasury Bills, amounting to 49·65 crores, held in the Paper Currency Reserve, as these represent a liability not entirely comparable to ordinary public debt. If, however, they are included, the gross total of the debt amounts to 9,67·18 crores. The corresponding total on the 31st March 1923 was 9,29·55 crores including a similar total of 49·65 crores of Treasury Bills in the Currency Reserve and 8,79·90 crores excluding these Treasury Bills.

28. Of the total on the 31st March 1924, 11·88 crores are due to the discount at which some of the loans were issued. This liability is treated as an interest charge under our system of book-keeping and is being extinguished by annual appropriations from revenue within the period of each loan. It should therefore be excluded from our total debt figure, which is thus reduced to 9,05·65 crores. Of this, 5,78·39 crores are classed as productive debt and 2,28·45 crores as unproductive debt. The balance of 98·81 crores represents loans to Provincial Governments. These figures compare with 5,55·07 crores of productive debt and 2,29·11 crores of unproductive debt a year ago and 87·49 crores of loans to Provincial Governments. The rupee debt, which stood at 4,23·98 crores on the 31st March 1923, amounts to 4,34·27 crores on the 31st March 1924, while the sterling debt has risen from 304 million pounds on the 31st March 1923 to 322¼ million pounds on the 31st March 1924.

Proposals for debt repemption.

29. This brings me to the general question of the provision made annually in our expenditure for sinking funds. So long as we have a considerable annual programme of new productive capital expenditure, any provision for sinking funds operates, not to reduce the net total of our debt, but to reduce the amount of it which is unproductive, and the amount provided becomes in effect a contribution out of revenue towards productive capital expenditure. Instead, therefore, of speaking of such a provision by the convenient but misleading title of a sinking fund, it is preferable to describe it as a contribution out of revenue for reduction or avoidance of debt.

30. The amount provided for reduction or avoidance of debt in the Estimates for 1923-24 was as follows:

	(Rs. Lakhs.)	(Rs. Lakhs.)
In India—		
1½ per cent. Depreciation Fund against—		
5 per cent. Indian War Loan, 1929-47 .	41	
5 per cent. Tax-free Loan, 1945-55 .	33	
Lump sum addition to the above made in and since 1921-22	80	
		1,54
In England—	£	
War contribution—annual instalment in repayment of principal .	442,900	
Railway Annuities (capital portion) and sinking funds	1,544,300	
Total in England .	1,987,200	
Which at Rs. 15= .		2,98
Total provision .		4,52

As I have already explained, the special optional addition of 80 lakhs, made in and since 1921-22 to the depreciation fund for the two 5 per cent. Rupee loans was not required during 1923-24. There was also a saving in exchange on the sterling items of 9 lakhs, so that the total actual expenditure for reduction or avoidance of debt during the year will have been ₹3,63 lakhs.

The corresponding figures for 1924-25 on the same basis would be ₹4,65 lakhs including the special 80 lakhs and ₹3,85 lakhs excluding those 80 lakhs. An addition of 14 lakhs has to be made to the Depreciation fund for the 5 per cent. tax-free loan 1945-55 as the result of the further issue of that loan last summer. The balance of the difference between the

figures for the two years is explained by exchange variations and by an automatic increase in the capital portion of certain annuities.

31. It will be remembered that a year ago there was some discussion in connection with the Budget of the propriety of charging to capital that portion of the Railway annuities, provided in the Railway grant, which represents repayment of capital. In accordance with a promise which I made last year, we have now reconsidered this particular charge in connection with the general subject of debt. We have come to the conclusion that this charge should henceforth be excluded from the Railway budget, but treated along with our other provision in the general budget for the reduction or avoidance of debt. By so treating it, we are able to get a clear picture of what exactly is our total provision out of revenue against our total debt and to consider whether it is sufficient. In order to do this we must first ask what is the basis on which our present total provision rests and what ought to be the basis. Why, in fact, did we provide 4,52 lakhs in 1923-24 and was that an adequate total?

32. It appears on examination that the present provision is largely the result of accident. We happen to have entered into certain contracts with third parties, such as the contracts with railway companies to buy up their property by means of terminable annuities, and the contract with subscribers to our 5 per cent. war loans to provide a depreciation fund. These contractual obligations account for 3,72 lakhs in the Budget Estimates for 1923-24. The only optional payment was the extra 80 lakhs for additional depreciation funds for the 5 per cent. loans. It is obvious that a total made up in this way does not represent a considered plan, and that the aggregate of individual items does not necessarily conform to any criterion of what our total provision should be. Let me give an example of what I mean. Let us suppose that we come to the conclusion that 3·99 crores, which with exchange 1*s.* 4*d.* is the aggregate of the obligatory items in 1924-25, represents almost exactly what ought to be provided. Suppose further that in the course of the next few years the money required for new productive capital expenditure and the money needed to meet the large total of maturing bonds were raised mainly or entirely by the issue of one or other of the 5 per cent loans to which a contractual depreciation fund attaches. A large addition would then have to be made to our provision for depreciation funds. It is, of course, proper that the provision for reduction or avoidance of debt should grow with the growth of our total debt. But is there any reason why it should grow by exactly the amount of the depreciation funds? And in so far as the new borrowing merely represents the replacement of maturing bonds is there any reason for an increase at all?

33. We are clearly in need of some criterion and we should aim at a regular programme based on stable and well considered principles, not subject to haphazard changes. The best way of arriving at such a programme is, I think, to take the gross total of our debt, examine the capital assets which we hold against that debt, and fix approximate periods within which it is desirable to amortise each category of debt. The gross total of our debt on the 31st March 1924, according to the figures already given, is approximately 9,17·53 crores. I exclude as before the 49·65 crores of Treasury Bills in the Paper Currency Reserve, for redemption of which statutory arrangements have already in fact been made in our Paper Currency Act. Of this total of 9,17·53 crores, 98·81 crores represents debt incurred on behalf of the Provincial Governments. Those Governments themselves provide for repayment to us of what they have borrowed, and proposals are under consideration for putting these arrangements on

a more regular footing and for the establishment of a Provincial Loans Fund. For the purposes of the Central Government's provision for debt reduction, we may, therefore, exclude this sum of 98·81 crores as also the sum of 11·88 crores representing discount on past loans, leaving a net total of 8,06·84 crores, of which 5,78·39 crores is productive and the balance of 2,28·45 crores is unproductive debt.

34. It seems desirable, however, to analyse our unproductive debt a little further. Approximately 98 crores of it represent the accumulated deficits of the five years ending 31st March 1923. The building of New Delhi accounts for 9·85 crores. We are thus left with a figure of 1,20·60 crores which may be said to be our true war debt. It is reasonable to fix different periods for the redemption of different classes of debt. For productive debt 80 years is not too long. For unproductive debt generally a period of more than 50 years is not easily defensible. For repaying the debt due to our deficits or for such an onerous obligation as the building of New Delhi, shorter period, say 25 years for the first and 15 years for the second, ought to be taken, since in both cases the next generation of taxpayers is in danger of being called upon to provide sums which ought strictly to have been met out of annual revenue. War debt, on the other hand, however desirable it may be to meet war expenditure to the utmost extent possible out of war revenue, is the inevitable outcome of war conditions and part of the cost of war, and may legitimately be passed on to the generations which benefit by the sufferings and privations of their predecessors. *Per contra*, the fact that borrowing may be needed for emergencies such as war makes it most undesirable for a Government such as the Government of India to borrow for non-productive purposes in time of peace. It should manage to provide in peace time for the gradual amortization of all its debt. Moreover, the existence of a regular provision out of revenue for reduction or avoidance of debt will not only reduce the net amount of our new borrowings for productive purposes but will materially reduce their cost.

35. It is not possible in a Budget speech to treat the whole subject exhaustively and I do not pretend that the periods suggested above are the only possible or reasonable periods to take. But for the purpose of my argument they will serve well enough by way of illustration. If we take the periods named and apply them to the different classes of debt mentioned and assume further that any sums provided year by year were set aside to accumulate at 5 per cent. compound interest, we obtain as our result a figure of 3·66 crores as the amount which it would be necessary, on the above basis, to provide annually beginning with the year 1924-25 to redeem the whole debt within the periods named. But it would not be convenient or desirable to set this sum aside year by year to accumulate at compound interest in the manner assumed in the calculation. It must be expended in the year in which it is provided either on actual repayment of existing debt or for new capital purposes in order to reduce the amount of our new borrowings. By so using it, we reduce the amount we have to pay in interest in the future. We could, indeed, obtain a result equivalent to accumulation at compound interest if we first of all provided 3·66 crores in 1924-25, and then set aside in 1925-26, in addition, a sum equivalent to 5 per cent. interest on 3·66 crores, and so on in future years. In that case the sums actually required during the next five years would be:

(In crores of Rs.)

1924-25.	1925-26.	1926-27.	1927-28.	1928-29.
3·66	3·84	4·04	4·24	4·45

36. This would, however, be rather a cumbrous arrangement, and in view of the hypothetical nature of some of the data on which the calculation is based, for example, the assumption of a rate of exactly 5 per cent. for the interest, it would be better to achieve the results desired by some more simple process. The same amount of debt would be redeemed if a provision of 4·04 crores were made in each year for the next five years. We may therefore conclude that a figure of 4 crores per annum would be an adequate provision to include in our Budget expenditure for the next five years for dealing with our existing debt.

37. I do not mean that we ought to lay down finally as a law of our financial system that a provision of 4 crores per annum shall be made in each of the next five years. In any case I must remind the House that this figure makes no provision for the further debt which will be incurred during 1924-25 and thereafter. The criteria which I have suggested evidently require that an addition should be made each year for all new debt incurred. On the assumption, which I hope will prove correct, that such debt will (with the one exception of the expenditure now nearing completion on New Delhi) be entirely for productive purposes, the annual addition might be a sum equal to one-eightieth of the net addition to our debt during the year. It is much to be desired that in the near future we should arrive at a definite programme—it might with advantage be a statutory programme—for dealing with this subject. For the present, however, I am content to deal with the year 1924-25 only, leaving for further consideration in the light of the discussion which will, I hope, be provoked by what I have said, the final determination of our future programme.

38. The House will not fail to observe that the figure of 4 crores is almost exactly the figure of our obligatory payments. This coincidence is satisfactory as showing that our provision for dealing with our debt hitherto has been a reasonable one. It also provides a further justification for the omission of the optional item of 80 lakhs for additional depreciation fund. In view of the strength of the market for Government securities, this extra 80 lakhs is clearly not required for its specific purpose.

Separation of Railway Finances from General Finances.

Railway Budget.

39. Before coming to grips with the figures of the general Budget for 1924-25, I must devote attention to one more special subject, the subject of Railway Finance. Honourable Members have all seen the Resolution on the subject of the separation of the Railway Budget from the ordinary Budget which has been on the table of the House for some days. I know of no reform which offers greater attractions and greater benefits to our finances and our Railways alike than a definite separation, if it can be achieved. The condition of affairs hitherto prevailing has inevitably tended to an alternation between raids by the Railways on the taxpayer and raids by the taxpayer on the Railways. If we can succeed in putting an end to this state of affairs, we shall have achieved a piece of genuine constructive work, for which the credit will be, in large measure, due to the initiative of the legislature which has pressed the problem upon the Government. It is proposed that time shall be set apart on Monday next for a full discussion of the Resolution on this subject. I must not, therefore, delay the House now by dwelling upon it. I want only to say that in my opinion the reform proposed will bring us valuable dividends in our future budgets, and at the same time lead to great economies in the working of our Railways. It

will give them a real incentive to increase their efficiency and to provide better service at reduced cost to their customers, the Indian public.

40. In the figures of the general Budget as presented, the return which we expect to receive from our investment in the Railways is included in accordance with the new settlement now proposed. The taxpayer, instead of paying the whole of the expenses and taking the whole of the incomings of the railways, will enter into a bargain with the Railways to receive from them (*a*) a sum sufficient to pay in full the interest on the capital he has invested in the commercial lines, (*b*) an additional dividend of five-sixths of one per cent. on that capital and (*c*) a share of one-fifth of any surplus earnings that may be secured in addition. In return, the railways will be left to carry on their business with the right to retain any surplus over and above what they pay to the Government and to apply it to railway purposes, first of all for creating reserves and then by using those reserves to improve the services they render to the public and reduce the price which they charge for those services. The Government of India and this Assembly will remain in complete control of the Railway Administration just as they now are. That control will be in no way impaired. But there will no longer be any need to consider from the narrow standpoint of their effect upon the general revenues in a particular period of twelve months, that is in a particular Budget period, proposals by the Railway authorities which, though excellent and desirable in themselves, might, under the present system, upset the apparent equilibrium of the Budget for the year. The taxpayer will secure a regular and increasing contribution from his investment, largely independent of fluctuations in railway receipts and expenditure, and the railways will be able to spend money according to the real needs of the railway system, unimpeded by the necessity for conforming to the vagaries of Budget figures and the requirements of Budget accounting. The Railways will become a real commercial undertaking managed on commercial lines, and the taxpayer will get the benefit of commercial accounts and management.

41. Among the papers which are being circulated with the speech, Honourable Members will find statements showing, first, how the net contribution by the railways to general revenues is arrived at under the proposed new settlement, and second, a comparison of the figures under the two systems showing what the contribution would be under the old system. The main figures in the Railway Budget framed according to the proposed new plan are, traffic receipts 97·07 crores, working expenses 65·23 crores, interest and other charges 26·23 crores, leaving 1,33·48 lakhs as reserve and 4,27·30 lakhs as the net contribution to general revenues. Under the old system the net contribution is 4,16 lakhs. It is necessary, however, to mention one special point. One of the results of the close scrutiny of Railway finances which has taken place during the past year has been to bring to light a difference on the wrong side between the value of stores held for the capital suspense account and the true market value of those stores. Some of them are not now required for railway purposes and must be sold for what they will fetch. Others are required but are worth less than the figure at which they stand in the books. It becomes necessary, therefore, to write off 3 crores from the Capital account and this can only be done by a charge against revenue. The loss has been accumulated over a series of years and is partly the result of the large rise in prices after the war and the subsequent slump. How are we to deal with this charge of 3 crores? It is necessary that the loss should be written off at once in order to enable us to arrive at a proper valuation

of the East Indian and the Great Indian Peninsula Railways when they are taken over by the State. If we were in a position to do so, we ought undoubtedly to provide this 3 crores out of the revenue of 1924-25. Under the settlement proposed to be made with the Railways, this charge will be taken over by them and spread over a period of ten years, during which there is reason to believe that they will be able to meet it out of their share of surplus profits. Under the old system there is no provision for building up a reserve out of profits, as profits are taken automatically into general revenues for the year in which they accrue. There is, therefore, less justification for spreading the charge. If, however, the whole 3 crores were charged against the revenue of 1924-25, the contribution of the railways to general revenues during the year would be reduced almost to vanishing point. I trust that the need for deciding this difficult point will be avoided by the adoption by this House of the proposed system of commercial accounting and separation of the railway finances. But in the contrary event, there seems to be no better solution than to set up a special provision of 30 lakhs a year, beginning with 1924-25, to amortise the debt in ten years, and it is only by this unsatisfactory device that the figure of 4·16 crores for railway net receipts on the present system is arrived at.

Budget Estimates for the year 1924-25.

42. I have, I am afraid, already taxed the patience of the House as severely as the Government are accused of taxing the people of India. But the subjects of Debt Redemption and Railway finance have an interest far beyond the immediate question of the Budget of 1924-25, and it was necessary to deal with them at some length in order to prepare the way for the Budget statement itself. Two other subjects, which are of immediate importance for the year 1924-25, must still be disposed of before I am in a position to present the figures for which the House is waiting. The first of these is the question of making Government stores liable to Customs Duty and the second is Exchange.

Proposal to charge imported Government stores to customs duty.

43. I have already referred to the complications caused during 1923-24 by the decision of the Bombay High Court which brought stores purchased for Company Railways into the category of "Government stores". We hope that the decision of the Privy Council will upset this ruling on appeal. But quite apart from that question, we have come to the conclusion that the time has arrived when Government stores should be treated for Customs purposes like any other imports, and as the House is aware, we have introduced a Bill to rescind the proviso to section 20 of the Sea Customs Act by virtue of which Government stores are admitted duty free.

44. The Budget figures are presented on the assumption that this Bill will become law. The effect is to add about 1,63 lakhs to our estimate of revenue and about 53 lakhs to our general expenditure, of which 25 lakhs occur under the head of Military expenditure and 22 lakhs represent the assignments to be made to Provincial Governments during 1924-25 to compensate them for the duty which they will have to pay. An additional charge of about 1,10 lakhs to Railways is also involved, partly Revenue and partly Capital. Of this 1,10 lakhs about 90 lakhs would in any case accrue if the decision of the Privy Council were in our favour. It has been the practice hitherto to take credit to Revenue for customs duty on stores imported by company-managed Railways for

capital purposes even when the capital is provided through the Government of India. We thereby get an increase in revenue at the expense of an increase in capital. It is true that the capital is spent on productive purposes and that the Railways are expected to charge their customers fares and freights sufficient to pay interest and earn profits on capital expenditure. But there are obvious objections to increasing revenue at the expense of capital and this system will be reconsidered during the course of the year. It is not proposed to change it in the present Budget, in so far as the company-managed lines are concerned. But we think it would be unsound to extend the practice to State Railways, which will now have to pay Customs duty on the stores they import. It is accordingly proposed to earmark as a special contribution from Revenue to Capital a sum equivalent to the duty collected from State Railways on stores imported by them for capital purposes. The amount in 1924-25 is estimated at 11 lakhs. It will be larger by 30 lakhs in 1925-26 when the Great Indian Peninsula and East Indian Railways are taken over by the State, and the fact of their transfer to State management will thus automatically reduce the extent of the objection to the present system in the case of company-managed lines. The amount of duty on stores for company-managed lines which involves a debit to capital in 1924-25 is estimated at 51 lakhs.

Exchange.

Exchange.

45. It will be remembered that in the Budget estimate for 1921-22 a rate of 1*s.* 8*d.* per rupee was taken for the purpose of converting into rupees that part of our expenditure which is in sterling. The Government were supposed to have made a prophecy or even a promise that the average rate for the year would be 1*s.* 8*d.* and were severely criticised when the rate fell far below that figure. This year and the year before the rate taken was 1*s.* 4*d.*, which proved just about right in 1922-23, while in 1923-24 the average rate has been 1*s.* 4½*d.* What rate are we to take for 1924-25? The figures were prepared in the first instance on the basis of a 1*s.* 4*d.* exchange, but are we content to leave them on that basis? If we do so and the rate for the year averages 1*s.* 4½*d.* we shall have over-estimated our expenditure to the extent of 88 lakhs (apart from Railways) and if the average rate were as high as 1*s.* 5*d.* we shall have over-stated our outgoings by 1·71 crores. Is the House prepared to pass our Demand Grants on the basis of 1*s.* 4*d.* at a moment when the market rate has been almost continually above 1*s.* 5*d.* for nearly four months?

46. But if we do not take 1*s.* 4*d.* what rate are we to take? The Government of India cannot prophesy or promise any particular rate, and he would be a bold man who ventured any confident statement in complete ignorance, as he must be, of the nature of the 1924 monsoon, the course of events in the Ruhr and elsewhere, and the movements of the dollar-sterling exchange. We are compelled to adopt some definite figure and yet we are entirely unable to control the events which will determine the accuracy of whatever figure we may adopt. After careful consideration we have decided to frame our forecast on the basis of an average rate for the year of 1*s.* 4$\frac{3}{4}$*d.* or $\frac{1}{4}$*d.* better than the actual average in 1923-24.

Expenditure.

47. We are now at last in a position to proceed to a balance-sheet for 1924-25. I begin with the expenditure side.

Military expenditure.

Military expenditure for 1924-25 is estimated at 63 crores gross and 60·25 crores net, which includes a saving on Exchange of 68 lakhs. On the basis of 1*s*. 4*d*. to the rupee, the net amount required would be 60·93 crores. In order to assist comparison with the current year the remaining figures of Military expenditure which I shall proceed to give will be on the basis of 1*s*. 4*d*. to the rupee.

48. Established charges come to 59 crores which compares with the Revised estimate of 60¼ crores and the original Budget figure of 61·94 crores for 1923-24. But 25 lakhs is included in the 1924-25 figure for the payment of customs duty on imported stores, which was not required in 1923-24. We shall require 30 lakhs for roads and barracks in Waziristan and 1,63 lakhs for special terminal charges. If we exclude the special sum of 25 lakhs representing customs duty, which will come back as revenue, the established charges will amount to 58¾ crores as against the figure of 59·38 crores assumed by the Retrenchment Committee. The non-recurrent saving arising from reduction in stocks cannot of course be repeated for next year. But we have managed to reduce the established charges below the Committee's figure—an achievement for which we are greatly indebted to the vigilance of His Excellency the Commander-in-Chief and his keen anxiety to effect all possible economies which do not interfere with the essential structure and organisation of the reduced Army.

49. Full information about the action taken on the detailed recommendations of the Retrenchment Committee has already been supplied to the House. I may remind Honourable Members that the Committee expressed the view that in matters of detail the Commander-in-Chief must be left a certain amount of discretion in carrying out their proposals. As the financial effect of the retrenchments actually secured is not less than the total specific economies recommended by the Committee, the Government can rightly claim that they have given full effect to the Committee's recommendations. We have not overlooked the fact that the Retrenchment Committee expressed the opinion that the adoption of their recommendations would enable the Military estimates to be reduced in subsequent years to about 57 crores and ultimately to 50 crores, though, as they stated, the Commander-in-Chief did not subscribe to this opinion. Their specific recommendations, however, worked out to a figure of 57¾ crores which included the special non-recurrent saving of 2¼ crores from reduction in stocks. There was thus a gap of 3 crores between the figure arrived at as a result of the specific recommendations of the Committee and the figure of 57 crores. Further the Committee took no account of the inevitable increase in non-effective charges. Owing to a growth in the pension list, which has been accelerated by reductions of personnel, the provision for non-effective charges included in the established charges of the Military services is, on the basis of a 1*s*. 4*d*. rupee, 35 lakhs higher in the Budget of 1924-25 than in the Budget of 1923-24. It is evident, therefore, that the goal of 57 crores is not immediately attainable. For the last year our energies have been fully occupied in securing the actual retrenchments specifically recommended by the Retrenchment Committee. But I am not without hope that, with the continued co-operation of His Excellency the Commander-in-Chief, it may be possible further to reduce the level of the established charges of the Military services in 1925-26, though unfortunately we have reason to anticipate that terminal charges will be specially heavy in that year.

Civil expenditure.

50. On the Civil side also, we have given effect to almost all the recommendations of the Retrenchment Committee and expenditure generally has been kept low. Under Opium, we are able to count on a decrease of 49 lakhs as compared with the current year's expenditure, as the special payments necessitated this year by an increase in the outturn of the last crop should not recur. A provision of 25 lakhs has been made, as I have already mentioned, for *ex gratia* payment of compensation to private individuals who suffered from enemy action during the war, but it can be met from an equivalent sum set apart from the windfall from the working of enemy ships. Eliminating Railway transactions, which cease to be a direct charge on Central revenues under the new arrangements which I have explained, our total expenditure amounts to 1,04·57 crores. What is the revenue on the basis of existing taxation from which to meet it?

Revenue.

Customs

51. We expect a net customs revenue for 1924-25 of 45·02 crores against 40·42 crores now expected in the current year. The former figure includes the extra 1·63 crores already mentioned on account of duty on imported Governments stores including Railway stores. Apart from this special factor, the estimate of revenue for 1924-25 allows for the higher tariff valuation for sugar which came into force from the 1st January last and for a normal expansion of revenue under other tariff heads.

52. Some small changes in the tariff are being proposed in the Finance Bill, the most important being the reduction of the Excise Duty on Motor Spirit to 4½ annas a gallon, which will cheapen motor spirit without loss to our revenue, and the imposition of specific duties on empty match boxes and splints, in order to protect our match revenue. I ought perhaps to add in passing that for Budget purposes it has been necessary to assume that the final outturn of 1924-25 will be unaffected by any changes which may be introduced into our customs tariff as the result of the recommendations of the Tariff Board.

Income-tax.

53. Under Income-tax, the unsatisfactory condition of the Bombay mill industry in the current year will reduce our revenue in that province in 1924 25, but this decline in revenue should be partly set off by increases in other provinces, and we do not anticipate a reduction of more than 85 lakhs on the net revenue expected for the current year, making the total figure 18·22 crores.

54. We expect no material variation in the estimates under other heads of revenue, except under Currency where the investments in British treasury bills made out of the large sterling remittances effected in the current year will result in an increase in revenue of about ½ crore. We propose that the interest on investments of the Currency Reserve as well as the surplus holdings in the Gold Standard Reserve in excess of £40 millions should, as in the current year, continue to be credited to revenue.

Posts and Telegraphs.

55. The net budget estimate of expenditure of the Indian Posts and Telegraphs Department is 9·03 crores. The revenue for 1924-25 is put at R10·14 crores. These figures are not comparable with those presented a year ago

owing to the inclusion on both sides of certain items not hitherto included. The changes introduced represent the results so far achieved in the attempt to present commercial accounts. It had been hoped that it would be possible to have a commercial account ready for this Budget, but, partly owing to the desirability of awaiting a settlement of the cognate problems in the commercialisation of the Railway accounts, we have had to be satisfied with something less this year. We are able, however, to include in the detailed estimates a profit and loss account which indicates that the actual profit for 1924-25 will be about 24 lakhs

56. It will be remembered that the Retrenchment Committee laid considerable stress on the large amount of capital locked up in stores. The actual balance in stock in the case of this Department has been reduced from ₹257 lakhs to ₹196 lakhs during 1923-24, and by the 31st March 1925 it is expected that the figure will have been brought down to less than 1 crore.

Surplus.

57. Replacing the net receipts from Railways by the fixed contribution of 4·27 crores, we thus arrive at a total revenue estimate of 107·93 crores, giving us, on the basis of existing taxation, a surplus of 3·36 crores. How are we to utilise this surplus? I see many claimants. I should like to have been able to reduce some of our Customs duties which in certain cases are undoubtedly hampering trade, though not, I think, so much as has been contended in certain quarters. It is tempting to consider a reduction here and there of some of our charges for postal and telegraph services; these, however, must wait till we know more exactly what the real surplus on the working of the Posts and Telegraphs is. Then there are the Provincial contributions. We had some discussion on these a few weeks ago, and the desirability of getting rid of them was widely recognised. So long as they remain unreduced, we are in the position of having over 9 crores of prior obligations between us and the things we should like to do with our surplus. Moreover, the existence of this liability is a constant source of bitterness in the relations between the different Provincial Governments, and between the Government of India and the Provincial Governments, not excluding Bengal, whose three years of grace expire at the close of 1924-25. A beginning of reduction is being eagerly anticipated by the Provinces, especially by Ministers who are anxious to develop the services under their charge and are severely hampered by lack of cash. Undoubtedly the Provincial contributions have a very strong claim. And finally there is the salt tax. It was raised from ₹1-4 per maund to ₹2-8 per maund this year owing to the paramount necessity of balancing the Budget. To reduce it to ₹2 per maund would demand 1·82 crores out of our surplus, to reduce it to ₹1-4 would take away ₹3·32 crores, that is, would devour practically the whole surplus.

WAYS AND MEANS.

58. But perhaps it would be better if, before continuing this exciting inquiry, I were to divert your attention for a moment to that necessary but less exciting portion of the annual Budget Statement—our Ways and Means Budget.

The following statement summarises the Ways and Means operations in India and England together during 1923-24 and 1924-25:

[Crores of Rs.]

Liabilities.	Revised.	Budget.
Railway capital outlay	23·6	30·0
Delhi, Irrigation and Telegraph outlay	2·8	3·2
Discharge of funded debts, etc.	5·2	1·0
Discharge of Treasury Bills with the public	19·5	2·1
Loans to Provincial Governments	11·3	12·7
Drawings of Provincial Governments from their balances	...	2·3
	62·4	51·3
Met as follows:		
Central Government's revenue surplus	2·1	...
Surplus revenues of Provincial Governments	5·0	...
Rupee loan	23·1	20·0
Sterling loan	18·2	...
Net receipts from Post Office Cash Certificates	5·4	1·5
Net receipts from Savings Bank deposits	5·3	6·0
Miscellaneous items	2·3	7·9
Reduction of cash balances	1·0	15·9
	62·4	51·3

59. I have already referred to the satisfactory receipts from Post Office Cash Certificates in the current year and to the practical extinction of Treasury Bills issued to the public. I want to draw special attention to three further points in these figures, the amount of our proposed Rupee borrowings, the position in regard to our sterling remittances, and the absence of any provision for new sterling borrowing. The last is a very satisfactory feature in view of the onerous obligations for the future which the provision of interest and sinking fund on external debt involves. I must, however, remind the House that our Ways and Means Budget figures are necessarily illustrative rather than exact, and in particular I must not be taken as saying that in no circumstances will the Government of India borrow abroad during 1924-25. Something must depend on the relative cost of borrowing inside and outside India. But all indications point to our being able to meet all our capital requirements and all our sterling requirements in 1924-25 without issuing any external loan.

60. Moreover, we hope to achieve this while at the same time reducing our demands on the market in India, where, thanks to the reduction of our total requirements for new capital, we expect to be able to limit ourselves to a rupee loan of not more than 20 crores as against the total of 24 crores in 1923. We are assisted in reaching these results by having built up during 1923-24 a large reserve against our sterling needs

during 1924-25. Our total purchases of sterling, whether by purchases in India or by sales of rupees in the form of Council Drafts in London, during 1923-24, are estimated to amount to £26¾ million. During the summer we drew £5,850,000 in sterling from the Paper Currency Reserve against payment into the Reserve in India. On the other hand, in order to take advantage of the more attractive rates at which sterling has been obtainable during the winter months and at the same time to do something to mitigate stringency in the Money Market, we have remitted no less than 12 crores to London against issues of Paper Currency in India. We shall start the year 1924-25 with £14 millions in sterling securities in the Paper Currency Reserve, all of which we can, if necessary, apply towards meeting our sterling outgoings. But if conditions are at all similar in the winter of 1924-25 to those which prevailed this year, we may have to replace some of the amount so applied during the summer in order to meet the requirements of the Indian Money Market in the winter. We have, therefore, assumed a net draft on these sterling reserves of £10 million. The Ways and Means figures given above ignore, it will be noticed, any revenue surplus in 1924-25, and they are subject to modification in the light of the final decision as to the use of that surplus.

Final Proposals.

61. This brings me back to the problem of what to do with our surplus. It is one of the ironies of fate that the boon which a Finance Member most desires—a Budget surplus—is frequently the cause of more embarrassment to him than anything else. He has first to examine carefully whether he can safely give away any part of his surplus without laying up a store of trouble for future years. We do not want to remit taxation or give away part of the Provincial contributions this year and then be faced with the necessity of imposing additional taxation next year or the year after. How do we stand in this respect? When the 1923-24 Budget was framed we doubted our ability to effect within the year all the retrenchments which we had under consideration. We were justifiably in doubt whether our revenue estimates were not unduly sanguine. We managed just to balance our Budget on paper, and though it is still doubtful whether the ordinary revenue will quite cover the ordinary expenditure, we have at any rate reached equilibrium. But we attained our balance this year only by special cuts in certain directions which could not possibly be recurrent. I have already explained the way in which this use of non-recurrent savings affects the comparison between the Military budgets for 1923-24 and 1924-25. In the case of the Railways, we made an even less satisfactory saving which was not merely non-recurring but involved the postponement of urgently necessary works of rehabilitation. The cut in Programme Revenue Expenditure in 1923-24, justifiable as it was in all the circumstances, makes it all the more necessary that money should be found in 1924-25. In 1923-24, therefore, even if our paper surplus had been more assured, it would have been an unthinkable act of improvidence to have given up any part of the Provincial contributions. We need not perhaps stop to consider whether it would have been proper to give away to the Provinces the proceeds of a tax not agreed to by the House.

62. The Budget for 1924-25 as it stands gives us, I am happy to assure the House, a sounder basis on which to build. I must admit that the estimates of Revenue are still experimental. This is inevitable in the present disturbed state of the world. If our estimate of Customs revenue is a little more cautious than in 1923-24, there are reasons for thinking that

our estimate of Income-tax receipts in 1924-25 may be optimistic. But on the expenditure side, there are no such large non-recurrent cuts as disturbed the prospects a year ago, and we are justified in looking forward to the early disappearance of special war and terminal charges, though I have warned the House that the charge for surplus officers may be rather larger in 1925-26 than in 1924-25. Our Railway Budget will, I hope, be established from henceforward on sound commercial principles. Our provision for debt is, as I have shown, not unsatisfactory. Urgently desirable expenditure on new works is still postponed for financial reasons, but this at any rate is what I can call optional expenditure. We must not, indeed, forget that a poor monsoon is due before long. On the other hand, a real improvement in trade would appreciably increase the yield from our existing taxation. We have, moreover, to remember that a contribution of 63 lakhs will be due from Bengal in 1925-26. All things considered, we are justified in regarding the surplus of 3·36 crores as a real surplus, and I come back to the two claimants which the House will, I feel sure, agree to be the only possible ones, the Provincial contributions and the Salt Tax.

63. There is one important distinction between these alternatives. If we retain taxation at its present figure and give away our surplus in whole or in part to the Provincial Governments, we can face the year 1925-26 with some hope not merely of again achieving a balance but with the brighter expectation that some further reductions in expenditure or some normal growth in the yield of our existing sources of income will again give us a small surplus. If, however, we were to reduce the salt tax to R1-4-0 per maund, we have an initial deficiency of 2·16 crores to face in 1925-26. The receipts in 1924-25 would be abnormal partly because dealers would at once replenish their depleted stocks if the duty were reduced to R1-4-0 and partly because we give the dealers six months' credit. For the first five months of 1924-25, we shall in any case be collecting some revenue at the rate of R2-8-0 a maund. A reduction to R1-4-0 in the 1924-25 Budget would not, therefore, have its full effect on our figures till 1925-26. The same would be true of a reduction to some intermediate figure, though of course to a smaller extent.

64. One further objection to a reduction of the Salt Duty is that, as I have already shown, the hope that the enhanced rate would endure for one year only has induced dealers to run down their stocks and they have thus to a great extent managed to evade payment of the full duty. It is believed that they cannot reduce stocks much further, and a decision by this House to retain the duty at R2-8 would make them give up hope of pocketing the special profits which they have been trying to secure. They would gradually replenish their stocks and the Exchequer would no longer fail to obtain its due revenue. If the tax is reduced to R1-4, they will certainly succeed in retaining for themselves part of what they ought to have paid to the Government and will not pass on the whole benefit to the consumer.

65. I know that many in this House regard reduction of the Salt Tax from a standpoint which includes wider considerations than those which are purely financial and economic. I am authorised to say that the choice will be left to the House. We are not, as last year, confronted by the vital distinction between a Budget which balances and a Budget which does not.

66. But are the economic objections to the salt duty so great as to justify the House in giving up this recurrent source of revenue at a time

when the Provincial contributions remain unreduced, and the needs of the Provinces are as great as they are to-day? We have a sum of over 9 crores between us and a Budget which balances without the assistance of the Provincial contributions. If we reduce the salt tax to ₹1-4, we are in truth proclaiming to the Provinces that neither in 1924-25 nor in 1925-26 can we offer them any certain prospect of relief. We are at the same time postponing indefinitely the date at which we can foresee any reasonable possibility of reducing other onerous taxes or increasing our expenditure on beneficial services. It is a message of despair to all those who are looking to expenditure, whether by the Central Government or by the Provincial Governments, for the amelioration of the conditions of life, and for improved educational and sanitary services, throughout India.

67. Let not the House deceive itself. We certainly hope for progressive reduction in our Military expenditure, for progressive improvement in the yield of our existing sources of revenue. We hope too that the Committee on Taxation will be able, in due course, to recommend important improvements in the machinery and scope of our taxation system, so that it may be possible for India to raise in taxation an amount equal to what she raises to-day at less sacrifice to the tax-payer. But the results of this inquiry can hardly be available in time for the 1925-26 Budget, and the improvements in our position for which we may look owing to reduced expenditure and increased yield from existing taxes can hardly do much more in 1925-26 than fill the gap of over two crores created by the loss of salt revenue. We have once again explored with exhaustive care the practicability of alternative taxation, and we are unable to recommend any alternative. We cannot, as I have already shown, afford to contemplate reduction of the Provincial contributions by postponements of inevitable expenditure or by any devices, even if they were available, which will merely improve the appearance of one year's Budget by laying up trouble for the next. And we cannot return to the era of unbalanced Budgets. The choice is clear and unambiguous. We can, if we like, reduce the salt tax to ₹1-4, but by so doing we do a definite disservice to the true interests of India's finances.

68. But, it may be said, is there not a middle way? A reduction to ₹1-4 costs us 3·32 crores in 1924-25 and a further 2·16 crores in 1925-26, making a total loss of 5·48 crores in 1925-26. Thereafter, allowing for normal growth in yield, the annual recurrent loss is in the neighbourhood of 6 crores. A reduction to ₹2 per maund involves a loss in 1924-25 of ₹1·82 crores and little more in 1925-26. With the salt tax fixed at ₹2 per maund by the verdict of this House, the disturbing factors which have upset the calculations in 1923-24 in regard to issues of salt would be eliminated, and though the dealers would, it is to be feared, succeed in making some of the special profits which they have had in view in reducing their stocks, their gains would not be so appreciable as would result from a reduction to ₹1-4. A reduction of the salt duty to ₹2 per maund would still leave us with a surplus of 154 lakhs in 1924-25, and the extra loss in 1925-26 is so small that we could afford to ignore it. Even though on purely financial and economic grounds they may be doubtful of the desirability of reducing taxation in face of the claims of the Provinces for reduction of their contributions, are the Government not prepared to adopt this middle course?

69. After full consideration of all the special circumstances, the Government of India have decided not to ask the House to continue the salt duty

at ₹2-8 a maund. But in view of their repeated pledges on the subject of the Provincial contributions, and still more because they are convinced that even the poorest Indian—and perhaps the poorest most of all—will benefit far more by the maintenance of sound finances in the Central Government and by a beginning of a reduction in the Provincial contributions, they have decided that the middle course is the right course. They propose to divide the surplus between the two claimants.

70. The recommendation of the Government of India therefore is, and I desire to make it clear to the House that this recommendation is made after full consultation with the Secretary of State and with his full approval and support, that out of the surplus of 3·36 crores a sum of 1·82 crores be applied to reducing the salt tax from ₹2-8-0 per maund to ₹2 per maund and that a sum of ₹1·50 crores be applied to a reduction of the Provincial contributions. This will give immediate relief to four provinces. It will reduce the contribution of Madras from 348 lakhs to 268 lakhs. It will reduce the contribution of the Punjab by 38 lakhs, from 175 lakhs to 137 lakhs. The contribution of the United Provinces will be reduced from 240 lakhs to 210 lakhs, a reduction of 30 lakhs. Burma will get a small reduction of 2 lakhs on its contribution of 64 lakhs.

71. I do not wish to appeal to provincial particularism. We here represent the whole of India. As I said a few weeks ago, borrowing the words of the Honourable Pandit Madan Mohan Malaviya, this is a national question and should be looked at from a national standpoint. The Devolution Rules prescribe the proportions in which each province's contribution is to be reduced as money becomes available. The provinces named are the first to get relief. But " well begun is half done." The turn of the others comes next and their prospect of reduction is brought so much the nearer by the clearing away of prior claims. But more important still is the interest of India as a whole in making a beginning in dealing with this running sore of the Provincial contributions. This House, in the first year of its life, has an opportunity of helping to make good the financial basis of the Reforms from lack of which many of the difficulties of the last three years have sprung. The Government of India ask the co-operation of the Assembly in enabling them so to manage the finances of the country that the way may be clear for constitutional progress unhampered by any impediments arising from financial disorders.

BASIL P. BLACKETT.

The 29th February 1924.

STATEMENT I.

Statement comparing the actual Revenue and Expenditure of the Central Government (Imperial Revenue and Expenditure before the Reforms) with the Revised Estimates for each year from 1913-14 to 1922-23.

(*See* paragraph 2 of speech.)

[In thousands of Rupees.]

	Revised Estimates.			Actuals.		
	Revenue.	Expenditure.	Surplus (+) Deficit (—)	Revenue.	Expenditure.	Surplus (+) Deficit (—)
1913-14 . .	80,66,56	78,43,56	+2,23,00	81,32,71	77,85,85	+3,46,86
1914-15 . .	74,89,38	79,07,25	—4,17,87	76,15,35	78,83,14	—2,67,79
1915-16 . .	78,89,08	81,58,21	—2,69,13	80,00,96	81,79,26	—1,78,30
1916-17 . .	97,25,67	88,27,37	+8,98,30	98,53,10	87,31,37	+11,21,73
1917-18 . .	1,14,84,48	1,06,27,74	+8,56,74	1,18,70,58	1,06,57,52	+12,13,06
1918-19 . .	1,27,94,65	1,34,79,88	—6,85,23	1,30,40,66	1,36,13,72	—5,73,06
1919-20 . .	1,44,07,56	1,59,18,67	—15,11,11	1,37,13,98	1,60,79,27	—23,65,29
1920-21 . .	1,35,10,35	1,48,03,61	—12,93,26	1,35,63,32	1,61,64,17	—26,00,85
1921-22 . .	1,13,15,32	1,41,94,52	—28,79,20	1,15,21,50	1,42,86,52	—27,65,02
1922-23 . .	1,20,70,17	1,37,95,52	—17,25,35	1,21,41,29	1,36,43,05	—15,01,76

STATEMENT II.

Calculation of the net contribution from Railways to General Revenues in 1924-25.

(*See* paragraph 41 of speech.)

(Figures in thousands of rupees.)

			Revised Estimate, 1923-24.
A.	(i) Capital at charge, all lines		6,45,80,91
	Deduct—		
	(*a*) for strategic lines	26,50,37	
	(*b*) for capital contributed by Indian States and Railway Companies	74,90,40	1,01,40,77
	(ii) Capital at charge, commercial lines		5,44,40,14
	(iii) Contribution at $\frac{5}{8}$ths of 1 per cent.		4,53,67
B.	(i) Gross traffic receipts, all lines		94,22,02
	Deduct- Receipts, strategic lines		1,97,23
	(ii) Gross traffic receipts, commercial lines		92,24,79
	(iii) Working expenses, all lines		60,96,00
	Deduct - Expenses, strategic lines		2,28,17
	(iv) Working expenses, commercial lines		58,67,83
	(v) Share of surplus profits paid to Indian States and Railway Companies		1,11,42
			59,79,25
	(vi) Net receipts, commercial lines [(ii) *minus* (iv) and (v)]		32,45,54
	Add—Subsidized Companies, Government share of surplus profits		23,27
	(vii) Total net receipts		32,68,81
	(viii) Interest on capital at charge, all lines		17,37,98
	Deduct—Interest, strategic lines		1,01,76
	(ix) Interest on capital at charge, commercial lines		16,36,22
	(x) (*a*) Interest portion of annuities in purchase of Railways		3,11,34
	(*b*) Interest on capital contributed by Indian States and Railway Companies		3,11,79
	(xi) Total interest charges, commercial lines		22,59,35
	(xii) Land and subsidy		7,41
	(xiii) Miscellaneous Railway expenditure		16,72
	(xiv) Total (xi), (xii) and (xiii)		22,83,48
	(xv) Net gain from commercial lines (vii) *minus* (xiv)		9,85,33
	(xvi) Contribution at $\frac{5}{8}$ths of 1 per cent. on capital at charge [A (iii)]		4,53,67
	(xvii) Surplus profits		5,31,66
	(xviii) $\frac{1}{8}$th of surplus profits		1,06,33
	(xix) Total contribution [(xvi) *plus* (xviii)]		5,60,00
	(xx) *Deduct*—		
	(*a*) loss in working strategic lines	30,94	
	(*b*) interest on capital at charge, strategic lines	1,01,76	
			1,32,70
	(xxi) Net contribution		4,27,30

NOTE.—The contribution will in future years be calculated on the actual results of the penultimate year's working; but in 1924-25, the year of inception of the new system, on the results of the working in 1923-24. The net contribution of 4,27,30 shown in this statement is therefore subject to adjustment when the actuals of 1923-24 are known.

STATEMENT III.

Comparison of the contribution from Railways to General Revenues in the year 1924-25 under the present and proposed (separation) systems.

(*See* paragraph 41 of speech.)

(Figures in thousands of rupees.)

Present system.		Budget Estimate, 1924-25.	Proposed system.		Budget Estimate 1924-25.
(i) Gross traffic receipts		97,06,92	(i) Gross traffic receipts		97,06,92
Deduct—			*Deduct* —		
(*a*) Working Expenses	66,68,04		(*a*) Working Expenses	65,23,04	
(*b*) Share of Surplus Profits paid to Indian States and Railway Companies	1,14,87	67,82,91	(*b*) Share of Surplus Profits paid to Indian States and Railway Companies	1,14,87	66,37,91
(ii) Net receipts		29,24,01	(ii) Net receipts		30,69,01
(iii) Subsidized Companies, Government share of surplus profits		25,92	(iii) Subsidized Companies, Government share of surplus profits		25,92
(iv) Total net receipts		29,49,93	(iv) Total net receipts		30,94,93
(v) (*a*) Interest on capital at charge	19,18,05		(v) (*a*) Interest on capital at charge	19,18,05	
(*b*) Interest portion of annuities in purchase of railways	2,97,56		(*b*) Interest portion of annuities in purchase of railways	2,97,56	
(*c*) Interest on capital contributed by Indian States and Railway Companies	2,80,09		(*c*) Interest on capital contributed by Indian States and Railway Companies	2,80,09	
		24,95,70			24,95,70
(vi) Land and subsidy		16,00	(vi) Land and subsidy		16,00
(vii) Miscellaneous Railway expenditure		22,45	(vii) Miscellaneous Railway expenditure		22,45
			(viii) Railway reserves		1,33,48
(viii) Total (v), (vi) and (vii)		25,34,15	(ix) Total (v), (vi), (vii) and (viii)		26,67,63
(ix) Net contribution from Railways to General revenues [(iv) *minus* (viii)]		4,15,78	(x) Net contribution from Railways to General revenues [(iv) *minus* (ix)]		4,27,30

NOTE.—The figure for Working Expenses is 1,45,00 less under the proposed (separation) system than under the present system, because :—

(i) As an integral part of the proposed system the allocation of expenditure on renewals between Capital and Revenue will be revised; and with the revised allocation 1,15,00 is expected to be charged to Capital next year, which, under the present system, must be charged to Revenue.

(ii) Under the present system 30 lakhs must be charged to Working Expenses next year, in order to write down to market prices the value of stores in stock, and to write off out of Revenue the loss involved in the sale of surplus and obsolete stores. Under the proposed (separation) system, this charge will be met from the Railway reserves.

It will be observed that this figure of 1,45,00 is the equivalent of (1) the increase of 11,52 in the contribution expected to be made from Railways to General revenues under the proposed (separation) system and (2) the amount of 1,33,48 expected to be carried to Railway reserves.

BUDGET

of the

GOVERNMENT OF INDIA,

MARCH 1924.

ACCOUNTS	1922-23
REVISED ESTIMATES	1923-24
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I.--General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement	Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		Rs.	Rs.	Rs.	Rs.
Revenue—					
Principal Heads of Revenue—					
Customs	A	41,34,65,362	45,09,41,000	40,41,53,000	45,01,82,000
Taxes on Income	,,	17,99,41,150	19,04,64,000	19,07,45,000	18,21,97,000
Salt	,,	6,82,46,112	11,75,00,000	8,70,27,000	10,54,62,000
Opium	,,	3,78,92,068	3,93,12,000	4,30,64,000	4,33,60,000
Other Heads	,,	2,34,00,268	2,44,97,000	2,34,27,000	2,22,32,000
TOTAL PRINCIPAL HEADS		72,29,44,960	82,27,14,000	74,84,16,000	80,34,33,000
Railways : Net Receipts	...	26,82,98,476	31,76,58,000	32,37,87,000	30,94,93,000
Irrigation : Net Receipts	,,	10,90,752	10,83,000	11,20,000	12,47,000
Posts and Telegraphs : Net Receipts	,,	1,22,29,448	2,08,32,000	84,94,000	1,06,12,000
Interest Receipts	,,	1,15,70,696	2,50,96,000	3,24,25,000	3,17,25,000
Civil Administration	,,	44,34,528	62,08,000	67,49,000	72,01,000
Currency, Mint and Exchange	,,	3,62,03,131	2,69,26,000	3,07,68,000	3,63,86,000
Civil Works	,,	14,38,067	10,69,000	13,19,000	12,36,000
Miscellaneous	,,	62,46,625	48,34,000	3,23,44,000	67,48,000
Military Receipts	,,	5,73,78,865	3,04,87,000	4,19,53,000	2,75,16,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments	,,	9,22,93,608	9,21,36,000	9,22,29,000	7,72,11,000
TOTAL REVENUE		1,21,41,29,156	1,34,90,43,000	1,31,96,04,000	(a) 1,31,28,08,000
DEFICIT		15,01,76,392	...	...	...
TOTAL		1,36,43,05,548	1,34,90,43,000	1,31,96,04,000	1,31,28,08,000

(a) If the detailed figures for Railway Revenue and Expenditure in the Budget estimates for 1924-25 the scheme for the separation of Railway finance is included on the revenue side, the total estimates of

DELHI,
FINANCE DEPARTMENT,
The 29th February 1924.

M. F. GAUNTLETT,
Auditor General.

Revenue of the Central Government, in India and in England.

	For details, *vide* Statement	Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		Rs.	Rs.	Rs.	Rs.
Expenditure—					
Direct Demands on the Revenues	B	5,22,04,980	5,37,22,000	5,60,92,000	5,55,45,000
Railways : Interest and Miscellaneous Charges	,,	25,60,99,247	27,91,32,000	26,09,87,000	26,67,63,000
Irrigation	,,	13,75,391	14,20,000	16,51,000	22,85,000
Posts and Telegraphs	,,	76,98,536	53,35,000	12,62,000	—12,29,000
Debt Services	,,	16,15,89,540	17,21,57,000	16,74,88,000	18,15,15,000
Civil Administration	,,	9,94,32,040	9,78,29,000	9,57,10,000	9,80,36,000
Currency, Mint and Exchange.	,,	1,03,09,731	1,13,11,000	1,05,32,000	77,31,000
Civil Works	,,	1,34,81,040	1,76,63,000	1,61,11,000	2,06,50,000
Miscellaneous.	,,	5,20,56,088	5,15,39,000	4,80,13,000	4,88,73,000
Military Services	,,	71,00,58,955	65,04,87,000	63,93,72,000	63,0 ,16,000
Miscellaneous adjustments between the Central and Provincial Governments	,,	...	3,62,000	17,79,000	22,65,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,36,43,05,548	1,34,09,57,000	1,29,89,97,000	(a) 1,31,24,50,000
SURPLUS		...	80,86,000	2,06,07,000	3,58,000
TOTAL		1,36,43,05,548	1,34,90,43,000	1,31,96,04,000	1,31,28,08,000

are eliminated and only the contribution of R4,27,30,000 payable by Railways to Central Revenues under revenue and expenditure will amount respectively to R1,04,60,45,000 and R1,04,56,87,000.

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement	Receipts. Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		Rs.	Rs.	Rs.	Rs.
Surplus	C	...	80,86,000	2,06,07,000	3,58,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards construction of State Railways	,,	28,26,557	4,51,26,000	...	80,24,000
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	,,	66,22,99,053	33,15,56,000	37,11,64,000	36,95,87,000
Floating Debt (net incurred)	,,	...	...	...	...
Unfunded Debt (net incurred)	,,	2,96,51,483	5,01,85,000	10,74,36,000	7,51,45,000
Deposits and Advances (net)	,,	17,82,38,542	11,42,69,000	2,13,37,000	17,59,76,000
Loans and Advances by Central Government (net Repayments)	,,	20,42,338	6,67,000	20,44,000	6,70,000
Remittances (net)	,,	37,92,494	...	...	3,38,000
Balances of Provincial Governments (net)	,,	6,34,730	...	5,05,37,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES	...	87,66,58,640	49,66,77,000	55,25,18,000	62,17,16,000
TOTAL RECEIPTS	...	87,94,85,197	54,98,89,000	57,31,25,000	63,00,98,000
Opening Balance—India	...	25,66,13,170	23,89,58,170	25,95,80,424	22,96,85,424
England	...	8,99,53,817	7,41,81,817	9,82,19,688	11,80,01,688
TOTAL	...	1,22,60,52,184	86,30,28,987	93,09,25,112	97,77,85,112

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT,
The 29th February 1924.

Central Government, in India and in England.

	For details, *vide* Statement	Disbursements. Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		Rs.	Rs.	Rs.	Rs.
Deficit.	C	15,01,76,392	...	...	...
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—					
Construction of State Railways	,,	18,43,42,305	38,63,95,000	23,60,64,000	30,00,00,000
Capital outlay on Indian Postal and Telegraph Department	,,	65,62,006	94,30,000	96,65,000	1,73,95,000
Construction of Irrigation Works	,,	2,25,219	22,000	7,000	...
Initial expenditure on new Capital at Delhi	,,	1,84,79,432	1,97,00,000	1,82,00,000	1,47,00,000
Payments for discharge of Debentures (net)	,,	63,34,021	4,51,26,000	1,04,07,000	1,44,86,000
Redemption of Liabilities involved in the purchase of Railways	,,	...	...	...	27,07,03,000
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	21,59,42,983	46,06,73,000	27,43,43,000	61,72,84,000
Debt, Deposits and Advances					
Permanent Debt (net discharged)	C	...	...	...	...
Floating Debt (net discharged)	,,	40,61,80,000	5,50,00,000	19,46,00,000	2,13,00,000
Deposits and Advances (net)	,,	...	...	...	...
Loans and Advances by Central Government (net Advances)	,,	...	...	...	...
Loans between Central and Provincial Governments (net Advances)	,,	9,59,52,697	13,46,77,000	11,32,26,000	12,72,62,000
Remittances (net)	,,	...	80,15,000	10,69,000	...
Balances of Provincial Governments net)	,,	...	1,20,12,000	...	2,33,23,000
TOTAL DEBT, DEPOSITS AND ADVANCES	...	50,21,32,697	20,97,04,000	30,88,95,000	17,18,85,000
TOTAL DISBURSEMENTS	...	86,82,52,072	67,03,77,000	58,32,38,000	78,91,69,000
Closing Balance—India	...	25,95,80,424	14,76,21,170	22,96,85,424	14,11,75,424
England	...	9,62,19,688	4,50,30,817	11,80,01,688	4,74,40,688
TOTAL	...	1,22,60,52,184	86,30,28,987	93,09,25,112	97,77,85,112

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

A.—Statement of the Revenue of the

Heads of Revenue.	Accounts, 1922-23. India.	* England.	Exchange.	Total.	Item Number.
Principal Heads of Revenue—	Rs.	Rs.	Rs.	Rs.	
I.—Customs	41,34,65,362	...	...	41,34,65,362	1
II.—Taxes on Income	17,99,41,150	...	...	17,99,41,150	2
III.—Salt	6,82,46,112	...	...	6,82,46,112	3
IV.—Opium	3,78,92,068	...	...	3,78,92,068	4
V.—Land Revenue	42,93,120	...	...	42,93,120	5
VI.—Excise	51,68,531	...	...	51,68,531	6
VII.—Stamps—					
A.—Non-judicial	8,34,195	...	...	8,34,195	7
B.—Judicial	16,76,196	...	...	16,76,196	8
VIII.—Forest	25,28,572	...	...	25,28,572	9
IX.—Registration	1,49,431	...	...	1,49,431	10
X.—Tributes from Indian States	87,50,223	...	...	87,50,223	11
Total	72,29,44,960	...	...	72,29,44,960	12
Railways—					
XI.—State Railways—					
Gross Receipts	93,14,77,517	4,83,362	2,53,339	93,22,14,218	13
Deduct—Working Expenses	*65,96,16,125*	...	...	*65,96,16,125*	14
Surplus Profits paid to Companies	*69,40,501*	...	...	*69,40,501*	15
Net Receipts	26,49,20,891	4,83,362	2,53,339	26,56,57,592	16
XII.—Subsidised Companies	7,82,523	11,95,423	6,62,938	26,40,884	17
Total	26,57,03,414	16,78,785	9,16,277	26,82,98,476	18
Irrigation, etc.—					
XIII.—Works for which Capital accounts are kept	10,84,943	...	...	10,84,943	19
XIV.—Works for which no Capital accounts are kept	5,809	...	...	5,809	20
Total	10,90,752	...	...	10,90,752	21
Posts and Telegraphs—					
XV.—Gross Receipts	9,89,26,881	15,72,538	8,15,058	10,13,14,477	22
Deduct—Working Expenses	*8,85,89,711*	*3,23,517*	*1,71,801*	*8,90,85,029*	23
Net Receipts	1,03,37,170	12,49,021	6,43,257	1,22,29,448	24
Interest Receipts—					
XVI.—Interest	89,34,027	17,40,666	8,96,003	1,15,70,696	25
Carried over	1,00,90,10,323	46,68,472	24,55,537	1,01,61,34,352	

* Sterling converted into Rupees at £1 = Rs. 10.

Item Number.	India.	* England.	Exchange.	TOTAL.
	REVISED ESTIMATE, 1923-24.			
	Rs.	Rs.	Rs.	Rs.
1	40,41,53,000	...	...	40,41,53,000
2	19,07,45,000	...	...	19,07,45,000
3	8,70,27,000	...	...	8,70,27,000
4	4,30,64,000	...	...	4,30,64,000
5	44,68,000	...	...	44,68,000
6	48,87,000	...	...	48,87,000
7	8,99,000	...	...	8,99,000
8	18,72,000	...	...	18,72,000
9	24,26,000	...	...	24,26,000
10	1,49,000	...	...	1,49,000
11	87,26,000	...	...	87,26,000
12	74,84,16,000	...	...	74,84,16,000
13	94,15,00,000	4,83,000	2,19,000	94,22,02,000
14	*60,96,00,000*	...	...	*60,96,00,000*
15	*1,11,42,000*	...	...	*1,11,42,000*
16	32,07,58,000	4,83,000	2,19,000	32,14,60,000
17	5,16,000	12,45,000	5,66,000	23,27,000
18	32,12,74,000	17,28,000	7,85,000	32,37,87,000
19	11,91,000	—65,000	—29,000	(a) 10,97,000
20	23,000	...	...	23,000
21	12,14,000	—65,000	—29,000	11,20,000
22	10,12,24,000	16,00,000	7,27,000	10,35,51,000
23	*9,21,84,000*	*19,75,000*	*8,98,000*	*9,50,57,000*
24	90,40,000	—3,75,000	—1,71,000	84,94,000
25	85,09,000	1,64,42,000	74,74,000	3,24,25,000
	1,08,84,53,000	1,77,30,000	80,59,000	1,11,42,42,000

(a) Represents net receipts after deduction of R10,40,000 on account of working expenses.

Increase (+) Decrease (—) as compared with Budget Estimate, 1923-24.	Budget Estimate, 1924-25. India.	* England.	Exchange.	Item Number.
Rs.	Rs.	Rs.	Rs.	
−4,67,88,000	45,01,82,000	...	...	1
+2,81,000	18,21,97,000	...	...	2
−3,04,73,000	10,54,62,000	...	...	3
+37,52,000	4,33,60,000	...	...	4
+74,000	39,62,000	...	...	5
−3,71,000	45,53,000	...	...	6
−67,000	9,05,000	...	...	7
+2,57,000	18,22,000	...	...	8
−10,31,000	21,96,000	...	...	9
−13,000	1,43,000	...	...	10
+81,000	86,51,000	...	...	11
−7,42,98,000	80,34,33,000	...	...	12
−1,35,22,000	97,00,00,000	4,83,000	2,09,000	13
+2,05,50,000	*65,23,04,000*	...	...	14
−12,65,000	*1,14,87,000*	...	...	15
+57,63,000	30,62,09,000	4,83,000	2,09,000	16
+3,66,000	4,93,000	14,65,000	6,34,000	17
+61,29,000	30,67,02,000	19,48,000	8,43,000	18
+18,000	13,30,000	−64,000	−27,000	19
* +19,000	8,000	...	...	20
+37,000	13,38,000	−64,000	−27,000	21
−36,32,000	10,48,79,000	8,20,000	3,55,000	22
−87,06,000	*9,31,88,000*	*15,73,000*	*6,81,000*	23
−1,23,38,000	1,16,91,000	−7,53,000	−3,26,000	24
+73,29,000	93,60,000	1,56,09,000	67,56,000	25
−7,31,41,000	1,13,25,24,000	1,67,40,000	72,46,000	

* Sterling converted into Rupees at £1 = Rs. 10.

Central Government, in India and in England.

Item Number.	Budget Estimate, 1924-25. Total.	Increase (+) Decrease (—) as compared with Budget, 1923-24.	Increase (+) Decrease (—) as compared with Revised, 1923-24.	Heads of Revenue.
	Rs.	Rs.	Rs.	**Principal Heads of Revenue—**
1	45,01,82,000	—7,59,000	+4,60,29,000	I.—Customs.
2	18,21,97,000	—82,67,000	—85,48,000	II.—Taxes on Income.
3	10,54,62,000	—1,20,38,000	+1,84,35,000	III.—Salt.
4	4,33,60,000	+40,48,000	+2,96,000	IV.—Opium.
5	39,62,000	—4,32,000	—5,06,000	V.—Land Revenue.
6	45,53,000	—7,05,000	—3,34,000	VI.—Excise.
				VII.—Stamps—
7	9,05,000	—61,000	+6,000	A.—Non-judicial.
8	18,22,000	+2,07,000	—50,000	B.—Judicial.
9	21,96,000	—12,61,000	—2,30,000	VIII.—Forest.
10	1,43,000	—19,000	—6,000	IX.—Registration.
11	86,51,000	+6,000	—75,000	X.—Tributes from Indian States.
12	80,34,33,000	—1,92,81,000	+5,50,17,000	Total.
				Railways—
13	97,06,92,000 (a)	+1,49,68,000	+2,84,90,000	XI.—State Railways— Gross Receipts.
14	*65,23,04,000* (b)	—2,21,54,000	—2,27,04,000	*Deduct*—Working Expenses.
15	*1,14,87,000*	—16,10,000	—3,45,000	Surplus Profits paid to Companies.
16	30,69,01,000	—87,96,000	—1,45,59,000	Net Receipts.
17	25,92,000	+6,31,000	+2,65,000	XII.—Subsidised Companies.
18	30,94,93,000 (c)	—81,65,000	—1,42,94,000	Total.
				Irrigation, etc.—
19	12,39,000 (d)	+1,60,000	+1,42,000	XIII.—Works for which Capital accounts are kept.
20	8,000	+4,000	—15,000	XIV.—Works for which no Capital accounts are kept.
21	12,47,000	+1,64,000	+1,27,000	Total.
				Posts and Telegraphs—
22	10,60,54,000	—11,29,000	+25,03,000	XV.—Gross Receipts.
23	*9,54,42,000* (e)	—90,91,000	—3,85,000	*Deduct*—Working Expenses.
24	1,06,12,000	—1,02,20,000	+21,18,000	Net Receipts.
				Interest Receipts—
25	3,17,25,000	+66,29,000	—7,00,000	XVI.—Interest.
	1,15,65,10,000	—3,08,73,000	+4,22,63,000	Carried over.

(a) Of this amount, R39,27,000 is non-voted and the balance of R64,83,77,000 is voted.
(b) The whole of this amount is voted.
(c) The difference of R4,27,3),000 between the total receipts under Railways in this statement and the total expenditure under Railway Revenue Account in statement B represents the contribution payable to Central Revenues under the scheme for the separation of Railway finance.
(d) Represents net receipts after deduction of R9,60,000 on account of working expenses of which R1,60,000 is non-voted and the balance of R8,09,000 is voted.
(e) Of this amount, R22,65,000 is non-voted and the balance of R9,33,77,000 is voted.

A.—Statement of the Revenue of the Central

Heads of Revenue.	Accounts, 1922-23. India.	* England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward	1,00,90,10,323	46,68,472	24,55,537	1,01,61,34,332	
Civil Administration—					
XVII.—Administration of Justice	3,56,160	...	...	3,56,160	1
XVIII.—Jails and Convict Settlements	7,74,790	...	...	7,74,790	2
XIX.—Police	—10,40,488	...	...	— 10,40,488	3
XX.—Ports and Pilotage	21,24,104	...	...	21,24,104	4
XXI.—Education	1,24,778	...	...	1,24,778	5
XXII.—Medical	63,755	686	384	64,825	6
XXIII.—Public Health	1,32,471	...	...	1,32,471	7
XXIV.—Agriculture	5,68,611	...	...	5,68,611	8
XXV.—Industries	2,020	...	...	2,020	9
XXVI.—Miscellaneous Departments	13,27,257	...	...	13,27,257	10
Total	44,33,458	686	384	44,34,528	11
Currency, Mint and Exchange—					
XXVII.—Currency	3,12,08,339	14,70,102	8,30,279	3,35,08720	12
XXVIII.—Mint	26,94,063	228	120	26,94,411	13
Total	3,39,02,402	14,70,330	8,30,399	3,62,03,131	14
Civil Works—					
XXX.—Civil Works	14,38,067	...	...	14,38,067	15
Miscellaneous—					
XXXIII.—Receipts in aid of Superannuation	22,93,609	3,64,898	1,92,002	28,50,509	16
XXXIV.—Stationery and Printing	17,01,574	11,204	6,353	17,19,131	17
XXXV.—Miscellaneous	5,88,047	7,03,508	3,85,430	16,76,985	18
Total	45,83,230	10,79,610	5,83,785	62,46,625	19
Carried over	1,05,33,67,480	72,19,098	38,70,105	1,06,44,56,683	

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1923-24.			
	India.	* England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
	1,08,84,53,000	1,77,30,000	80,59,000	1,11,42,42,000
1	4,29,000	...	...	4,29,000
2	7,91,000	...	...	7,91,000
3	1,20,000	...	...	1,20,000
4	21,44,000	...	...	21,44,000
5	1,39,000	...	...	1,39,000
6	1,14,000	...	...	1,14,000
7	70,000	...	...	70,000
8	9,22,000	...	...	9,22,000
9	1,000	...	...	1,000
10	20,19,000	...	...	20,19,000
11	67,49,000	...	...	67,49,000
12	2,73,37,000	14,57,000	6,63,000	2,94,57,000
13	13,10,000	1,000	...	13,11,000
14	2,86,47,000	14,58,000	6,63,000	3,07,68,000
15	13,19,000	...	...	13,19,000
16	20,04,000	3,60,000	1,64,000	25,28,000
17	13,70,000	7,000	3,000	13,80,000
18	—1,28,000	1,96,38,000	89,26,000	2,84,36,000
19	32,46,000	2,00,05,000	90,93,000	3,23,44,000
	1,12,84,14,000	3,91,93,000	1,78,15,000	1,18,54,22,000

Increase (+) Decrease (−) as compared with Budget Estimate, 1923-24.	Budget Estimate, 1924-25. India.	* England.	Exchange.	Item Number.
Rs.	Rs.	Rs.	Rs.	
=7,31,41,000	1,13,25,24,000	1,67,40,000	72,46,000	
+45,000	4,47,000	...	...	1
−1,18,000	7,84,000	...	...	2
−44,000	98,000	...	...	3
−3,07,000	22,49,000	...	...	4
+6,000	1,30,000	...	...	5
+7,000	1,09,000	...	...	6
−52,000	80,000	...	..	7
+4,,21,000	10,30,000	...	...	8
+1,000	...	...	...	9
+5,82,000	22,74,000	...	...	10
+5,41,000	72,01,000	...	...	11
+30,22,000	2,97,41,000	34,88,000	15,10,000	12
+8,20,000	16,46,000	1,000	...	13
+38,42,000	3,13,87,000	34,89,000	15,10,000	14
+2,50,000	12,36,000	...	...	15
+6,000	19,76,000	3,48,000	1,51,000	16
+2,03,000	8,53,000	7,000	3,000	17
+2,73,01,,000	5,03,000	20,29,000	8,78,000	18
+2,75,10,000	33,32,000	23,84,000	10,32,000	19
−4,09,98,000	1,17,56,80,000	2,26,13,000	97,88,000	

*Sterling converted into Rupees at £1=Rs. 10.

Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1924-25. Total.	Increase (+) Decrease (−) as compared with Budget, 1923-24.	Increase (+) Decrease (−) as compared with Revised, 1923-24.	Heads of Revenue.
	Rs.	Rs.	Rs.	
	1,15,65,10,000	−3,08,73,000	+4,22,68,000	Brought forward.
				Civil Administration—
1	4,47,000	+63,000	+18,000	XVII.—Administration of Justice.
2	7,84,000	−1,25,000	−7,000	XVIII.—Jails and Convict Settlements.
3	98,000	−66,000	−22,000	XIX.—Police.
4	22,49,000	−2,02,000	+1,05,000	XX.—Ports and Pilotage.
5	1,30,000	−3,000	−9,000	XXI.—Education.
6	1,09,000	+2,000	−5,000	XXII.—Medical.
7	80,000	−42,000	+10,000	XXIII.—Public Health.
8	10,30,000	+5,29,000	+1,08,000	XXIV.—Agriculture.
9	22,74,000	+8,37,000	−1,000	XXV.—Industries.
10	72,01,000	+9,93,000	+2,55,000	XXVI.—Miscellaneous Departments.
11			+4,52,000	Total.
				Currency, Mint and Exchange—
12	3,47,39,000	+83,04,000	+52,82,000	XXVII.—Currency.
13	16,47,000	+11,56,000	+3,36,000	XXVIII.—Mint.
14	3,63,86,000	+94,60,000	+56,18,000	Total.
				Civil Works—
15	12,36,000	+1,67,000	−83,000	XXX.—Civil Works.
				Miscellaneous—
16	24,75,000	−47,000	−53,000	XXXIII.—Receipts in aid of Superannuation.
17	8,63,000	−3,14,000	−5,17,000	XXXIV.—Stationery and Printing.
18	34,10,000	+22,75,000	−2,50,26,000	XXXV.—Miscellaneous.
19	67,48,000	+19,14,000	−2,55,96,000	Total.
	1,20,80,81,000	−1,83,39,000	+2,26,59,000	Carried over.

A.— Statement of the Revenue of the Central

Heads of Revenue.	Accounts, 1922-23. India	* England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward .	1,05,33,67,480	72,19,098	38,70,105	1,06,44,56,683	
Military Receipts—					
XXXVI.—Army—					
Effective .	3,36,22,667	74,81,527	38,67,726	4,49,71,920	20
Non-effective	10,85,290	15,25,970	7,89,713	34,00,973	21
	3,47,07,957	90,07,497	46,57,439	4,83,72,893	22
XXXVII.—Marine . .	32,72,538	...	...	32,72,538	23
XXXVIII.—Military Works	57,33,434	...	...	57,33,434	24
Total .	4,37,13,929	90,07,497	46,57,439	5,73,78,865	25
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—					
XXXIX.—Contributions and Assignments to the Central Government by Provincial Governments .	9,20,00,000	...	...	9,20,00,000	26
XL.—Miscellaneous adjustments between the Central and Provincial Governments .	2,93,608	...	...	2,93,608	27
Total .	9,22,93,608	...	...	9,22,93,608	28
TOTAL REVENUE .	1,18,93,75,017	1,62,26,595	85,27,544	1,21,41,29,156	29

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1923-24.			
	India.	* England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
	1,12,84,14,000	3,91,93,000	1,78,15,000	1,18,54,22,000
20	2,36,13,000	38,20,000	17,37,000	2,91,70,000
21	9,98,000	12,12,000	5,51,000	27,61,000
22	2,46,11,000	50,32,000	22,88,000	3,19,31,000
23	29,99,000	...	...	29,99,000
24	70,23,000	...	...	70,23,000
25	3,46,33,000	50,32,000	22,88,000	4,19,53,000
26	9,20,00,000	...	...	9,20,00,000
27	2,29,000	...	...	2,29,000
28	9,22,29,000	...	...	9,22,29,000
29	1,25,52,76,000	4,42,25,000	2,01,03,000	1,31,96,04,000

Increase (+) Decrease (−) as compared with Budget Estimate, 1923-24.	Budget Estimate, 1924-25			Item Number.
	India.	*England.	Exchange.	
Rs.	Rs.	Rs.	Rs.	
−4,09,98,000	1,17,56,80,000	2,26,13,000	97,88,000	
+52,32,000	1,62,70,000	35,85,000	15,51,000	20
−30,000	9,77,000	10,85,000	4,70,000	21
+52,02,000	1,72,47,000	46,70,000	20,21,000	22
+8,70,000	14,92,000	...	...	23
+53,94,000	20,86,000	...	...	24
+1,14,66,000	2,08,25,000	46,70,000	20,21,000	25
...	7,70,12,000	...	...	26
+93,000	1,99,000	...	...	27
+93,000	7,72,11,000	...	...	28
−2,94,39,000	1,27,37,16,000	2,72,83,000	1,18,09,000	29

*Sterling converted into Rupees at £1=Rs. 10.

Government, in India and in England—*concld.*

Item Number.	Budget Estimate, 1924-25. Total.	Increase (+) Decrease (−) as compared with Budget, 1923-24.	Increase (+) Decrease (−) as compared with Revised, 1923-24.	Heads of Revenue.
	Rs.	Rs.	Rs.	
	1,20,80,81,000	−1,83,39,000	+2,26,59,000	Brought forward.
				Military Receipts—
				XXXVI.—Army—
20	2,14,06,000	−25,32,000	−77,64,000	Effective.
21	25,32,000	−2,59,000	−2,29,000	Non-effective.
22	2,39,38,000	−27,91,000	−79,93,000	
23	14,92,000	−6,37,000	−15,07,000	XXXVII.—*Marine.*
24	20,86,000	+4,57,000	−49,37,000	XXXVIII.—Military Works.
25	2,75,16,000	−29,71,000	−1,45,37,000	Total.
				Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—
26	7,70,12,000	−1,49,88,000	−1,29,78,000	XXXIX.—Contributions and Assignments to the Central Government by Provincial Governments.
27	1,99,000	+63,000	−30,000	XL.—Miscellaneous adjustments between the Central and Provincial Governments.
28	7,72,11,000	−1,49,25,000	−1,50,18,000	Total.
29	(*a*) 1,31,28,08,000	−3,62,35,000	−67,95,000	TOTAL REVENUE.

(*a*) If the estimate of Railway Revenue in this statement is replaced by the contribution payable to Central Revenues under the separation scheme, the estimated total revenue will amount to ₹1,04,60,45,000.

B.—Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1923-23. India.	England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenues—					
1.—Customs	69,30,458	86,613	44,929	70,62,000	1
2.—Taxes on Income	43,94,778	40,095	21,263	44,56,136	2
3.—Salt	1,50,47,654	57,471	31,022	1,51,36,147	3
4.—Opium	1,86,01,903	38,462	20,278	1,86,60,643	4
5.—Land Revenue	12,96,050	26,867	14,184	13,37,101	5
6.—Excise	2,52,633	13,095	6,808	2,72,536	6
7.—Stamps—					
A.—Non-judicial	} —14,07,464	18,24,757	9,25,034	13,42,327	7
B.—Judicial	}				8
8.—Forests	31,09,100	5,18,302	2,70,045	38,97,447	9
9.—Registration	40,643	...	...	40,643	10
Total	4,82,65,755	26,05,662	13,33,563	5,22,04,980	11
Railway Revenue Account—					
10.—State Railways :—					
Interest on Debt	9,83,68,192	4,24,28,620	2,26,50,537	16,34,47,349	12
Interest on Capital contributed by Companies	3,88,034	2,18,52,849	1,13,14,729	3,35,55,612	13
Annuities in purchase of Railways	...	3,35,77,160	1,77,62,227	5,13,39,387	14
Sinking Funds	...	30,73,515	16,40,322	47,13,837	15
11.—Subsidised Companies	9,43,460	...	...	9,43,460	16
12.—Miscellaneous Railway Expenditure	—2,60,196	15,38,463	8,21,335	20,99,602	17
12A.—Surplus Revenue transferred to Reserve	...	...	...	...	18
Total	9,94,39,490	10,24,70,607	5,41,89,150	25,60,99,247	19
Irrigation, etc., Revenue Account—					
14.—Works for which Capital accounts are kept—					
Interest on Debt	12,18,882	...	...	12,18,882	20
15.—Other Revenue Expenditure	98,601	18,247	9,534	1,26,382	21
Total	13,17,483	18,247	9,534	13,45,264	22
Carried over	14,90,22,728	10,50,94,516	5,55,32,247	30,96,49,491	

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1923-24.				Increase (+) Decrease (—) as compared with Budget, 1923-24.
	India.	* England.	Exchange.	Total.	
	Rs.	Rs.	Rs.	Rs.	Rs.
1	69,94,000	1,37,000	62,000	71,93,000	—57,000
2	64,46,000	36,000	16,000	64,98,000	+1,19,000
3	1,41,86,000	54,000	25,000	1,42,65,000	—11,85,000
4	2,57,43,000	69,000	31,000	2,58,43,000	+70,12,000
5	11,09,000	51,000	23,000	11,83,000	+17,000
6	2,30,000	10,000	5,000	2,45,000	—26,000
7	—39,81,000	3,20,000	1,45,000	—35,16,000	—31,96,000
8	3,20,000	...	...	3,20,000	+2,77,000
9	32,71,000	5,18,000	2,36,000	40,25,000	—5,85,000
10	36,000	...	...	36,000	—6,000
11	5,43,54,000	11,95,000	5,43,000	5,60,92,000	+23,70,000
12	11,05,44,000	4,34,87,000	1,97,67,000	17,37,98,000	—1,39,92,000
13	4,30,000	2,11,40,000	96,09,000	3,11,79,000	—10,51,000
14	...	3,35,75,000	1,52,61,000	4,88,36,000	—15,26,000
15	...	32,73,000	14,88,000	47,61,000	—1,49,000
16	7,41,000	...	...	7,41,000	—18,49,000
17	—5,97,000	15,60,000	7,09,000	16,72,000	+4,22,000
18	...	...	...	...	...
19	11,11,18,000	10,30,35,000	4,68,34,000	26,09,87,000	—1,81,45,000
20	12,33,000	...	...	12,33,000	+1,45,000
21	2,08,000	34,000	16,000	2,58,000	+1,42,000
22	14,41,000	34,000	16,000	14,91,000	+2,87,000
	16,69,13,000	10,42,64,000	4,73,93,000	31,85,70,000	—1,54,88,000

BUDGET ESTIMATE, 1924-25.

India.	* England.	Exchange.	TOTAL.	Item Number.
Rs.	Rs.	Rs.	Rs.	
81,70,000	1,30,000	56,000	83,56,000	1
64,53,000	46,000	20,000	65,19,000	2
1,44,46,000	62,000	27,000	1,45,35,000	3
2,08,01,000	75,000	32,000	2,09,08,000	4
12,78,000	41,000	18,000	13,37,000	5
2,36,000	21,000	9,000	2,66,000	6
—8,12,000	5,00,000	2,16,000	—96,000	7
2,69,000	...	...	2,69,000	8
28,95,000	3,62,000	1,57,000	34,14,000	9
37,000	...	...	37,000	10
5,37,73,000	12,37,000	5,35,000	5,55,45,000	11
12,41,63,000	4,72,09,000	2,04,33,000	19,18,05,000	12
4,70,000	1,92,20,000	83,19,000	2,80,09,000	13
...	2,07,67,000	89,89,000	(a)2,97,56,000	14
...	...	...	(b)...	15
16,00,000	...	...	16,00,000	16
—4,11,000	18,54,000	8,02,000	22,45,000	17
1,33,48,000	...	...	1,33,48,000	18
13,91,70,000	8,90,50,000	3,85,43,000	(c)26,67,63,000	19
12,41,000	...	...	12,41,000	20
8,76,000	33,000	14,000	9,23,000	21
21,17,000	33,000	14,000	21,64,000	22
19,50,60,000	9,03,20,000	3,90,92,000	32,44,72,000	

* Sterling converted into Rupees at £1=Rs. 10.

(a) Represents only the interest portion of the annuities, the capital portion being included under the head "21—Reduction or Avoidance of Debt."

(b) Included under "21—Reduction or Avoidance of Debt."

(c) See note (c) on page 35.

of the Central Government, in India and in England.

Item Number.	Budget Estimate, 1924-25. Increase (+) Decrease (—) as compared with Budget, 1923-24.	Increase (+) Decrease (—) as compared with Revised, 1923-24.	Distribution of Total between Voted	Non-voted.	Heads of Expenditure.
	Rs.	Rs.	Rs.	Rs.	**Direct Demands on the Revenues** –
1	+11,06,000	+11,63,000	73,97,000	9,59,000	1.—Customs.
2	+1,40,000	+21,000	61,48,000	3,71,000	2.—Taxes on Income.
3	—9,15,000	+2,70,000	1,06,92,000	38,43,000	3.—Salt.
4	+20,77,000	—49,35,000	2,08,02,000	1,06,000	4.—Opium.
5	+1,71,000	+1,54,000	12,15,000	1,22,000	5.—Land Revenue.
6	—5,000	+21,000	1,57,000	1,09,000	6.—Excise.
7	+2,24,000	+34,20,000	1,55,000	18,000	7.—Stamps— A.—Non-judicial.
8	+2,26,000	—51,000			B.—Judicial.
9	—11,96,000	—6,11,000	28,32,000	5,82,000	8.—Forests.
10	—5,000	+1,000	33,000	4,000	9.—Registration.
11	+18,23,000	—5,47,000	4,94,31,000	61,14,000	Total
					Railway Revenue Account—
12	+40,15,000	+1,80,07,000	...	19,18,05,000	10.—State Railways— Interest on Debt.
13	—42,21,000	—31,70,000	...	2,80,09,000	Interest on Capital contributed by Companies.
14	—2,06,06,000	—1,90,80,000	...	2,97,56,000	Annuities in purchase of Railways.
15	—49,10,000	—47,61,000	...	...	Sinking Funds.
16	—9,90,000	+8,59,000	16,00,000	...	11.—Subsidised Companies.
17	+9,95,000	+5,73,000	11,96,000	10,49,000	12.—Miscellaneous Railway Expenditure.
18	+1,33,48,000	+1,33,48,000	1,33,48,000	...	12A.—Surplus Revenue transferred to Reserve.
19	—1,23,69,000	+57,76,000	1,61,44,000	25,06,19,000	Total
					Irrigation, etc., Revenue Accounts—
					14.—Works for which Capital accounts are kept—
20	+1,53,000	+8,000	...	12,41,000	Interest on Debt.
21	+8,07,000	+6,65,000	8,72,000	51,000	15.—Other Revenue Expenditure.
22	+9,60,000	+6,73,000	8,72,000	12,92,000	Total
	—95,86,000	+59,02,000	6,64,47,000	25,80,25,000	Carried over

B.—Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1922-23. India.	* England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward	14,90,22,728	10,50,94,516	5,55,32,247	30,96,49,491	
Irrigation, etc., Capital Account (charged to Revenue)					
16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues	30,127	...	...	30,127	22
Posts and Telegraphs Revenue Account—					
17.—Posts and Telegraphs—Interest on Debt	59,16,002	...	...	59,16,002	23
Posts and Telegraphs Capital Account (charged to Revenue)—					
18.—Capital outlay on Posts and Telegraphs—					
Indian Postal and Telegraph Department.	—36,73,788	38,14,852	20,37,524	21,78,588	24
Indo-European Telegraph Department	—5,87,360	1,26,414	64,892	—3,96,054	25
Total	—42,61,148	39,41,266	21,02,416	17,82,534	26
Debt Services—					
19.—Interest on Ordinary Debt	17,66,33,811	8,65,97,278	4,55,69,437	30,88,20,526	27
Deduct—Amount chargeable to—					
Railways	*9,83,68,192*	*4,24,28,620*	*2,26,50,537*	*16,34,47,349*	28
Irrigation	*12,18,382*	...	...	*12,18,882*	29
Posts and Telegraphs	*59,16,002*	...	...	*59,16,002*	30
Provincial Governments	*3,02,00,692*	...	...	*3,02,00,692*	31
Remainder chargeable to Ordinary Debt	4,09,50,043	4,41,68,658	2,29,18,900	10,80,37,601	32
20.—Interest on other Obligations	3,06,19,037	51,360	25,231	3,06,95,628	33
21.—Reduction or Avoidance of Debt	1,54,00,000	50,00,000	24,56,311	2,28,56,311	34
Total	8,69,69,080	4,92,20,018	2,54,00,442	16,15,89,540	35
Carried over	23,76,76,789	15,82,55,800	8,30,35,105	47,89,67,694	36

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1923-24.				
	India.	* England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1923-24.
	Rs.	Rs.	Rs.	Rs.	Rs.
	16,69,13,000	10,42,64,000	4,73,93,000	31,85,70,000	—1,54,88,000
22	1,60,000	...	...	1,60,000	—56,000
23	63,60,000	...	...	63,60,000	—4,68,000
24	—68,12,000	15,00,000	6,82,000	—46,30,000	—34,56,000
25	—3,63,000	—72,000	—33,000	—4,68,000	—1,49,000
26	—71,75,000	14,28,000	6,49,000	—50,98,000	—36,05,000
27	19,22,00,000	10,27,16,000	4,66,89,000	34,16,05,000	—1,20,68,000
28	*11,05,44,000*	*4,34,87,000*	*1,97,67,000*	*17,37,98,000*	+1,39,92,000
29	*12,33,000*	...	...	*12,33,000*	—1,45,000
30	*63,60,000*	...	...	*63,60,000*	+4,68,000
31	*3,74,90,000*	...	...	*3,74,90,000*	+25,25,000
32	3,65,73,000	5,92,29,000	2,69,22,000	12,27,24,000	+47,72,000
33	3,08,54,000	76,000	35,000	3,09,65,000	—11,96,000
34	73,61,000	44,26,000	20,12,000	1,37,99,000	—82,45,000
35	7,47,88,000	6,37,31,000	2,89,69,000	16,74,88,000	—46,69,000
36	24,10,46,000	16,94,23,000	7,70,11,000	48,74,80,000	—2,42,86,000

BUDGET ESTIMATE, 1924-25.

India.	* England.	Exchange.	TOTAL.	Item Number.
Rs.	Rs.	Rs.	Rs.	
19,50,60,000	9,03,20,000	3,90,92,000	32,44,72,000	
1,21,000	...	...	1,21,000	22
71,00,000	...	...	71,00,000	23
—1,12,81,000	16,80,000	7,27,000	—88,74,000	24
—3,92,000	6,53,000	2,84,000	5,45,000	25
—1,16,73,000	23,33,000	10,11,000	—83,29,000	26
20,00,00,000	10,48,90,000	4,54,00,000	35,02,90,000	27
12,41,63,000	*4,72,09,000*	*2,04,33,000*	*19,18,05,000*	28
12,41,000	...	...	*12,41,000*	29
71,00,000	...	...	*71,00,000*	30
4,46,08,000	...	...	*4,46,08,000*	31
2,28,88,000	5,76,81,000	2,49,67,000	10,55,36,000	32
3,63,06,000	70,000	30,000	3,64,06,000	33
99,31,000	2,06,88,000	89,54,000	3,95,73,000	34
6,91,25,000	7,84,39,000	3,39,51,000	18,15,15,000	35
25,97,33,000	17,10,92,000	7,40,54,000	50,48,79,000	36

* Sterling converted into Rupees at £1=Rs. 10.

of the Central Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1924-25.				Heads of Expenditure.
	Increase (+) Decrease (—) as compared with Budget, 1923-24.	Increase (+) Decrease (—) as compared with Revised, 1923-24.	Distribution of Total between		
			Voted.	Non-voted.	
	Rs.	Rs.	Rs.	Rs.	
	−95,86,000	+59,02,000	6,64,47,000	25,80,25,000	Brought forward.
					Irrigation, etc., Capital Account (charged to Revenue)—
22	−95,000	−39,000	1,21,000	...	16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues.
					Posts and Telegraphs Revenue Account—
23	+2,72,000	+7,40,000	...	71,00,000	17.—Posts and Telegraphs—Interest on Debt.
					Posts and Telegraphs Capital Account (charged to Revenue)—
24	−77,00,000	−42,44,000	−88,74,000	...	18.—Capital outlay on Posts and Telegraphs— Indian Postal and Telegraph Department.
25	+8,64,000	+10,13,000	5,45,000	...	Indo-European Telegraph Department.
26	−68,36,000	−32,31,000	−83,29,000	...	Total
					Debt Services
27	−33,83,000	+86,85,000	...	...	19.—Interest on Ordinary Debt.
					Deduct—Amount chargeable to—
28	−40,15,000	−1,80,07,000	...	...	Railways.
29	−1,53,000	−8,000	...	...	Irrigation.
30	−2,72,000	−7,40,000	...	...	Posts and Telegraphs.
31	−45,93,000	−71,18,000	...	...	Provincial Governments.
32	−1,24,16,000	−1,71,88,000	21,06,000	10,34,30,000	Remainder chargeable to Ordinary Debt.
33	+42,45,000	+54,41,000	3,63,06,000	1,00,000	20.—Interest on other Obligations.
34	+1,75,29,000	+2,57,74,000	...	3,95,73,000	21.—Reduction or Avoidance of Debt.
35	+93,58,000	+1,40,27,000	3,84,12,000	14,31,03,000	Total
36	−68,87,000	+1,73,99,000	9,66,51,000	40,82,28,000	Carried over

B.—Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1922-23. India.	England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward	23,76,76,789	15,82,55,800	8,30,35,105	47,89,67,694	
Civil Administration—					
22.—General Administration—					
A.—Heads of Provinces (including Governor General) and Executive Councils					1
B.—Legislative Bodies					2
C.—Secretariat and headquarters establishment	1,26,83,295	...	..	1,26,83,295	3
D.—Commissioners					4
E.—District Administration					5
F.—Home Administration, etc.	...	51,07,680	26,26,147	77,33,827	6
23.—Audit	70,28,026	3,18,345	1,56,779	75,13,150	7
24.—Administration of Justice	9,99,342	73,088	38,316	11,10,716	8
25.—Jails and Convict Settlements	40,35,289	29,527	15,702	40,80,518	9
26.—Police	87,15,672	1,52,451	79,272	89,47,395	10
27.—Ports and Pilotage	20,12,187	1,55,432	83,749	22,51,368	11
28.—Ecclesiastical	25,65,461	2,66,376	1,40,438	29,72,275	12
29.—Political	2,94,71,976	5,86,237	3,10,466	3,03,68,679	13
30.—Scientific Departments	81,28,501	6,20,832	3,28,422	90,77,755	14
31.—Education	30,16,322	40,260	21,049	30,77,631	15
32.—Medical	25,64,110	4,43,132	2,29,735	32,36,977	16
33.—Public Health	15,29,878	47,636	25,241	16,02,755	17
34.—Agriculture	19,90,617	61,277	32,814	20,84,708	18
35.—Industries	11,033	15,579	7,996	34,608	19
36.—Aviation	46,009	1,104	599	47,712	20
37.—Miscellaneous Departments	20,77,928	3,51,308	1,79,405	26,08,641	21
Total	8,68,75,646	82,70,264	42,86,130	9,94,32,040	22
Currency, Mint and Exchange—					
38.—Currency	27,56,168	39,18,338	20,39,700	87,14,206	23
39.—Mint	15,12,179	54,206	29,140	15,95,525	24
Total	42,68,347	39,72,544	20,68,840	1,03,09,731	25
Carried over	32,88,20,782	17,04,98,608	8,93,90,075	58,87,09,465	

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1923-24. India.	* England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1923-24.
	Rs. 24,10,46,000	Rs. 16,94,23,000	Rs. 7,70,11,000	Rs. 48,74,80,000	Rs. —2,42,86,000
1	24,47,000	...	...	24,47,000	+ 12,000
2	7,27,000	...	...	7,27,000	—1,81,000
3	67,74,000	...	...	67,74,000	+ 2,29,000
4	8,000	...	...	8,000	—6,000
5	15,75,000	...	...	15,75,000	—94,000
6	...	32,39,000	14,72,000	47,11,000	+ 5,72,000
7	70,40,000	2,71,000	1,23,000	74,34,000	—5,06,000
8	12,70,000	82,000	37,000	13,89,000	+ 2,17,000
9	36,76,000	49,000	22,000	37,47,000	—2,62,000
10	82,54,000	1,91,000	87,000	85,32,000	—1,48,000
11	21,60,000	1,19,000	54,000	23,33,000	—1,79,000
12	25,93,000	2,78,000	1,26,000	29,97,000	—2,86,000
13	3,04,10,000	—3,89,000	—1,77,000	2,98,44,000	—16,47,000
14	79,02,000	5,65,000	2,57,000	87,24,000	—1,69,000
15	30,85,000	90,000	41,000	32,16,000	...
16	23,89,000	3,43,000	1,56,000	28,88,000	+ 1,08,000
17	15,22,000	65,000	30,000	16,17 000	—53,000
18	23,16,000	1,32,000	60,000	25,08,000	+ 4,27,000
19	21,000	41,000	19,000	81,000	+ 5,000
20	22,000	1,000	...	23,000	—1,000
21	19,48,000	15,03,000	6,84,000	41,35,000	—1 57,000
22	8,61,39,000	65,80,000	29,91,000	9,57,10,000	—21,19,000
23	30,8 ,000	41,06,000	18,66,000	90,52,000	—4,37,000
24	14,06,000	51,000	23,000	14,80,000	—3,42,000
25	44,86,000	41,57,000	18,89,000	1,05,32,000	—7,79,000
	33,16,71,000	18,01,60,000	8,18,91,000	59,37,22,000	—2,71,84,000

BUDGET ESTIMATE, 1924-25.

India.	* England.	Exchange.	TOTAL.	Item Number.
Rs. 25,97,33,000	Rs. 17,10,92,000	Rs. 7,40,54,000	Rs. 50,48,79,000	
24,02,000	...	...	24,02,000	1
7,42,000	...	...	7,42,000	2
71,38,000	...	...	71,38,000	3
8,000	...	...	8,000	4
15,47,000	...	...	15,47,000	5
...	32,29,000	13,97,000	46,26,000	6
80,83,000	2,79,000	1,21,000	84,83,000	7
11,32,000	82,000	36,000	12,50,000	8
39,12,000	47,000	20,000	39,79,000	9
86,10,000	1,86,000	81,000	88,77,000	10
22,86,000	1,75,000	76,000	25,37,000	11
29,34,000	2,77,000	1,20,000	33,31,000	12
3,15,73,000	4,67,000	2,02,000	3,22,42,000	13
70,37,000	6,25,000	2,71,000	79,33,000	14
30,61,000	75,000	32,000	31,68,000	15
24,15,000	3,32,000	1,44,000	28,91,000	16
12,78,000	66,000	29,000	13,73,000	17
25,20,000	99,000	43,000	26,62,000	18
11,000	49,000	21,000	81,000	19
21,000	1,000	...	22,000	20
20,05,000	5,16,000	2,23,000	27,44,000	21
8,87,15,000	65,05,000	28,16,000	9,80,36,000	22
29,98,000	21,97,000	9,51,000	61,46,000	23
14,88,000	68,000	29,000	15,85,000	24
44,86,000	22,65,000	9,80,000	77,31,000	25
35,29,34,000	17,98,62,000	7,78,50,000	61,06,46,000	

* Sterling converted into Rupees at £1=Rs. 10.

of the Central Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1924-25. Increase (+) Decrease (—) as compared with Budget, 1923-24.	Increase (+) Decrease (—) as compared with Revised, 1923-24.	Distribution of Total between Voted.	Non-voted.	Heads of Expenditure.
	Rs.	Rs.	Rs.	Rs.	
	—68,87,000	+1,73,99,000	9,66,51,000	40,82,28,000	Brought forward.
					Civil Administration—
					22.—General Administration—
					A.—Heads of Provinces (including Governor General) and Executive Councils.
1	—33,000	—45,000			
2	—1,66,000	+15,000			B.—Legislative Bodies.
					C.—Secretariat and headquarters establishment.
3	+5,93,000	+3,64,000	99,05,000	65,58,000	
4	—6,000	...			D.—Commissioners.
5	—1,22,000	—28,000			E.—District Administration.
6	+4,87,000	—85,000			F.—Home Administration, etc.
7	+5,43,000	+10,49,000	77,65,000	7,18,000	23.—Audit.
8	+78,000	—1,39,000	9,14,000	3,36,000	24.—Administration of Justice.
9	—30,000	+2,32,000	37,49,000	2,30,000	25.—Jails and Convict Settlements.
10	+1,97,000	+3,45,000	78,78,000	9,99,000	26.—Police.
11	+25,000	+2,04,000	12,74,000	12,63,000	27.—Ports and Pilotage.
12	+48,000	+3,34,000	...	33,31,000	28.—Ecclesiastical.
13	+7,51,000	+23,98,000	...	3,22,42,000	29.—Political.
14	—9,60,000	—7,91,000	61,08,000	18,25,000	30.—Scientific Departments.
15	—48,000	—48,000	26,48,000	5,20,000	31.—Education.
16	+1, 1,000	+ 3,000	18,32,000	10,29,000	32.—Medical.
17	—2,97,000	—2,44,000	5,44,000	8,29,000	33.—Public Health.
18	+5,81,000	+1,54,000	21,74,000	4,88,000	34.—Agriculture.
19	+5,000	...	61,000	20,000	35.—Industries.
20	—2,000	—1,000	20,000	2,000	36.—Aviation.
21	—15,48,000	—13,91,000	23,70,000	3,74,000	37.—Miscellaneous Departments
22	+2,07,000	+23,26,000	4,72,42,000	5,07,94,000	Total
					Currency, Mint and Exchange
23	—33,43,000	—29,06,000	59,58,000	1,88,000	38.—Currency.
24	—2,37,000	+1,05,000	14,31,000	1,54,000	39.—Mint.
25	—35,80,000	—28,01,000	73,89,000	3,42,000	Total
	—1,02,60,000	+1,69,24,000	15,12,82,000	45,93,64,000	Carried over.

B.– Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1922-23. India.	* England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward .	32,88,20,782	17,04,98,608	8,93,90,075	58,87,09,465	
Civil Works–					
41.—Civil Works . .	1,32,97,744	1,19,926	63,370	1,34,81,040	26
Miscellaneous–					
43.—Famine Relief and Insurance— A.—Famine Relief .	80,651	...	...	80,651	27
44.—Territorial and Political Pensions . . .	27,37,834	1,15,633	60,260	29,13,727	28
45.—Superannuation Allowances and Pensions .	37,66,429	2,11,47,540	1,11,30,499	3,60,44,468	29
46.—Stationery and Printing	40,42,494	14,24,492	7,48,184	62,15,170	30
47.—Miscellaneous . .	48,14,104	12,98,060	6,89,908	68,02,072	31
Total .	1,54,41,512	2,39,85,725	1,26,28,851	5,20,56,088	32
Military Services.					
48.—Army— Effective	44,33,06,927	7,27,96,971	3,74,68,758	55,35,72,656	33
Non-effective . . .	4,15,19,947	3,42,12,042	1,77,55,505	9,34,87,494	34
	48,48,26,874	10,70,09,013	5,52,24,263	64,70,60,150	35
49.—Marine . . .	90,77,625	26,49,400	13,71,593	1,39,98,618	36
50.—Military Works . .	4,67,09,652	15,28,886	7,61,649	4,90,00,187	37
Total .	54,15,14,151	11,11,87,299	5,73,57,505	71,00,58,955	38
Provincial Contributions and Miscellaneous adjustments between Central and Provincial Governments					
52.—Miscellaneous adjustments between the Central and Provincial Governments . .	...	...	...	...	39
Total Expenditure charged to Revenue .	89,90,74,189	30,57,91,558	15,93,39,801	1,36,43,05,548	40

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	REVISED ESTIMATE, 1923-24. India.	* England.	Exchange.	TOTAL.	Increase (+) Decrease (—) as compared with Budget, 1923-24.
	Rs.	Rs.	Rs.	Rs.	Rs.
	33,16,71,000	18,01,60,000	8,18,91,000	59,37,22,000	– 2,71,84,000
26	1,59,32,000	1,23,000	56,000	1,61,11,000	—15,52,000
27	12,000	...	...	12,000	+ 7,000
28	28,53,000	1,24,000	56,000	30,33,000	+ 47,000
29	13,12,000	2,03,55,000	92,52,000	3,09,19,000	—37,43,000
30	38,63,000	18,79,000	8,54,000	65,96,000	+ 5,96,000
31	51,24,000	16,01,000	7,28,000	74,53,000	—4,33,000
32	1,31,64,000	2,39,59,000	1,08,90,000	4,80,13,000	—35,26,000
33	39,59,98,000	6,60,89,000	3,00,37,000	49,21,15,000	—1,59,24,000
34	4,00,83,000	3,62,48,000	1,64,76,000	9,28,07,000	+ 23,50,000
35	43,60,81,000	10,23,28,000	4,65,13,000	58,49,22,000	—1,35,74,000
36	60,89,000	25,96,000	11,80,000	98,65,000	+ 2,29,000
37	4,33,34,000	8,60,000	3,91,000	4,45,85,000	+ 22,30,000
38	48,55,04,000	10,57,84,000	4,80,84,000	63,93,72,000	—1,11,15,000
39	17,79,000	...	...	17,79,000	+ 14,17,000
40	84,80,50,000	31,00,26,000	14,09,21,000	1,29,89,97,000	—4,19,60,000

BUDGET ESTIMATE, 1924-25.

India.	* England.	Exchange.	TOTAL.	Item Number.
Rs.	Rs.	Rs.	Rs.	
35,29,34,000	17,98,62,000	7,78,50,000	61,06,46,000	
2,04,75,000	1,22,000	53,000	2,06,50,000	26
14,000	...	...	14,000	27
28,29,000	1,15,000	50,000	29,94,000	28
14,38,000	1,98,54,000	85,93,000	2,98,85,000	29
41,08,000	7,06,000	3,06,000	51,20,000	30
75,50,000	23,10,000	10,00,000	1,08,60,000	31
1,59,39,000	2,29,85,000	99,49,000	4,88,73,000	32
39,21,30,000	6,65,17,000	2,87,90,000	48,74,37,000	33
3,96,59,000	3,60,92,000	1,56,22,000	9,13,73,000	34
43,17,89,000	10,26,09,000	4,44,12,000	57,88,10,000	35
55,97,000	24,92,000	10,79,000	91,68,000	36
4,13,53,000	4,78,000	2,07,000	4,20,38,000	37
47,87,39,000	10,55,79,000	4,56,98,000	63,00,16,000	38
22,65,000	...	...	22,65,000	39
87,03,52,000	30,85,48,000	13,35,50,000	(a) 1,31,24,50,000	40

* Sterling converted into Rupees at £1 = Rs. 10.

(a) If the estimates of revenue expenditure on account of Railways shown in this statement is excluded under the separation scheme, the estimate of total expenditure will amount to Rs. 1,04,56,87,000.

of the Central Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1924-25. Increase (+) Decrease (—) as compared with Budget, 1923-24.	Increase (+) Decrease (—) as compared with Revised, 1923-24.	Distribution of Total between Voted.	Non-voted.	Heads of Expenditure.
	Rs.	Rs.	Rs.	Rs.	
	—1,02,60,000	+1,69,24,000	15,12,82,000	45,93,64,000	Brought forward.
					Civil Works—
26	+29,87,000	+45,39,000	1,39,69,000	66,81,000	41.—Civil Works.
					Miscellaneous—
					43.—Famine Relief and Insurance—
27	+9,000	+2,000	14,000	...	A.—Famine Relief.
28	+8,000	—39,000	...	29,94,000	44.—Territorial and Political Pensions.
29	—47,77,000	—10,34,000	40,86,000	2,57,99,000	45.—Superannuation Allowances and Pensions.
30	—8,60,000	—14,76,000	50,24,000	96,000	46.—Stationery and Printing.
31	+29,74,000	+34,07,000	78,49,000	30,11,000	47.—Miscellaneous.
32	—26,66,000	+8,60,000	1,69,73,000	3,19,00,000	Total
					Military Services—
					48.—Army—
33	—2,06,02,000	—46,78,000	...	48,74,37,000	Effective.
34	+9,16,000	—14,34,000	...	9,13,73,000	Non-effective.
35	—1,96,86,000	—61,12,000	...	57,88,10,000	
36	—4,68,000	—6,97,000	...	91,68,000	49.—Marine.
37	—3,17,000	—25,47,000	...	4,20,38,000	50.—Military Works.
38	—2,04,71,000	—93,56,000	...	63,00,16,000	Total
					Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—
39	+19,03,000	+4,86,000	22,65,000	...	52. Miscellaneous adjustments between the Central and Provincial Governments.
40	—2,85,07,000	+1,24,53,000	18,44,89,000	1,12,79,61,000	Total Expenditure charged to Revenue.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1922-23.		
	India.	*England.	Total.
	Rs.	Rs.	Rs.
Revenue (from Statement A)	1,18,93,75,017	1,62,26,595	1,20,56,01,612
Exchange added to Revenue	85,27,544	...	85,27,544
Total	1,19,79,02,561	1,62,26,595	1,21,41,29,156
Excess of Revenue over Expenditure charged to Revenue			—15,01,76,392
Railway Capital not charged to Revenue—			
Capital contributed by Railway Companies and Indian States towards outlay on State Railways	10,41,557	17,85,000	28,26,557
Public Debt Incurred—			
Permanent Debt—			
Sterling Debt—			
Debenture stock of East Indian Railway Company taken over by the Secretary of State	...	...	
5½ per cent. Stock	...	14,55,08,954	
4s per cent. Stock	...	17,00,00,000	
Rupee Debt—			
New Rupee Loan	...	...	
6 per cent. Bonds, 1932	19,49,00,000	...	
6 per cent. Bonds, 1926	1,500	...	
6 per cent. Bonds, 1927	27,38,19,300	...	
5½ per cent. War Bonds, 1921	100	...	
5 per cent. Loan 1945-55	...	...	
5 per cent. Bonds, 1933	...	...	
3½ per cent. Loans	...	...	
Total	46,87,20,900	31,55,08,954	78,42,29,854
Net			66,22,99,053
Floating Debt—			
Treasury Bills—			
Issued to Public	46,19,10,000	...	
Issued to Paper Currency Reserve	49,65,00,000	...	
Other Floating Loans	...	...	
Total	95,84,10,000	...	95,84,10,000
Net			0
Unfunded Debt—			
Deposits of Service Funds	15,83,523	20,102	
Post Office Cash Certificates	70,00,093	...	
Savings Bank Deposits	24,28,22,723	1,94,702	
Total	25,14,06,339	2,14,804	25,16,21,143
Net			2,96,51,483
Deposits and Advances—			
Appropriation for Reduction or Avoidance of Debt	...	...	
Deposits of Local Funds—			
District Funds	11,90,75,383	...	
Other Funds	8,20,49,250	...	
Deposits of Branch Line Companies	3,2 ,196	...	
Sinking Funds for Central Loans	1,54,00,000	...	
Other Sinking Fund Deposits	3,12,5 3	...	
Gold Standard Reserve	...	1,47,88,92,023	
Paper Currency Reserve	2,12,47,911	24,19,85,,06	
Departmental and Judicial Deposits	80,73,52,914	...	
Railway Revenue Surplus Account	...	...	
Advances	13,17,50,326	1,25,73,370	
Discount Sinking Fund	...	...	
Suspense Accounts	95,49,987	2,47,54,928	
Exchange on Remittance Accounts	16,95,17,740	...	
Miscellaneous	11,24,25,597	72,20,111	
Total	1,46,90,07,867	1,76,54,25,788	3,23,44,33,675
Net			17,82,38,542
Carried over	4,34,64,89,224	2,09,91,61,141	

*Sterling converted into Rupees at 1s = Rs. 10.

Central Government, in India and in England.

Revised Estimate, 1923-24.			Budget Estimate, 1924-25.		
India.	* England.	Total.	India.	* England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,25,52,76,000	4,42,25,000	1,29,95,01,000	1,27,37,16,000	2,72,83,000	1,30,09,99,000
2,01,03,000	...	2,01,03,000	1,18,09,000	...	1,18,09,000
1,27,53,79,000	4,42,25,000	1,31,96,04,000	1,28,55,25,000	2,72,83,000	1,31,28,08,000
		2,06,07,000			3,58,000
...	...	...	24,24,000	56,00,000	80,24,000
...	...		...	18,50,00,000	
...	9,29,000		...	9,87,000	
...	18,06,54,000		...	8,68,000	
...	...		20,00,00,000	...	
...	...		...	...	
...	...		...	...	
2,000	...		...	...	
...	...		...	...	
9,79,77,000	...		...	...	
14,17,70,000	...		...	...	
12,00,000	...		6,00,000	...	
24,09,49,000	18,15,83,000	42,25,32,000	20,06,00,000	18,68,55,000	38,74,55,000
		37,11,61,000			36,95,87,000
6,63,00,000	...		...	...	
55,25,00,000	...		55,25,00,000	...	
5,00,00,000	...		...	...	
66,88,00,000	...	66,88,00,000	55,25,00,000	...	55,25,00,000
		0			0
14,51,000	10,92,000		14,20,000	1,62,000	
7,00,00,000	...		3,00,00,000	...	
26,23,35,000	1,40,000		27,74,42,000	1,20,000	
33,37,86,000	12,32,000	33,50,18,000	30,88,62,000	2,82,000	30,91,44,000
		10,74,36,000			7,51,45,000
...	...		11,00,000	...	
12,25,19,000	...		12,05,85,000	...	
8,11,35,000	...		8,26,75,000	...	
8,54,000	...		9,97,000	...	
73,31,000	...		88,31,000	...	
3,25,000	...		3,38,000	...	
...	1,19,54,21,000		...	1,10,74,06,000	
2,97,72,000	43,25,37,000		...	45,98,58,000	
74,63,48,000	...		74,15,09,000	...	
...	...		1,33,48,000	...	
20,66,37,000	77,00,000		18,5[illegible],20,000	6,68,000	
...	...		4,40,000	...	
1,98,35,000	1,82,48,000		1,03,41,000	1,72,53,000	
1,60,89,000	...		15,80,96,000	...	
49,00,000	34,77,000		1,15,94,000	56,79,000	
1,23,57,75,000	1,65,73,83,000	2,89,31,58,000	1,33,56,74,000	1,58,88,69,000	2,92,45,43,000
		2,13,37,000			17,59,76,000
3,75,46,89,000	1,88,44,23,000		3,68,55,85,000	1,80,88,89,000	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1922-23.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Brought forward .	4,34,64,89,224	2,09,91,61,141	
Loans and Advances by the Central Government	33,49,831	...	32,49,831
Net .			20,42,338
Loans between Central and Provincial Governments	1,17,68,164	...	1,17,68,164
Net .			0
Remittances—			
Remittances within India—			
Inland Money Orders	83,46,21,008	...	
Other Local Remittances . .	8,16,130	...	
Other Departmental Accounts .	4,38,401	...	
Net Receipts by Civil Treasuries from—			
Railways	14,60,58,900	...	
Posts and Telegraphs	...	...	
Net Receipts from Civil Treasuries by—			
Posts and Telegraphs	2,44,87,728	...	
Marine	1,06,67,970	...	
Army and Military Works . . .	49,33,06,251	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	2,500	2,69,82,066	
Sale of gold	...	...	
Other transactions	7,87,49,313	6,88,01,117	
Remittances from India for financing Home Treasury	...	4,76,62,361	
Transfers through Paper Currency Reserve	2,15,370	...	
Total .	1,58,93,63,571	14,34,45,544	1,73,28,09,115
Net .			37,92,494
...ces of Provincial Governments . .	2,01,16,997	...	2,01,16,997
Net .			6,34,730
Total Receipts .	5,97,09,87,787	2,24,26,06,685 (a)	
Opening Balance .	25,66,13,170	8,99,53,817	
GRAND TOTAL .	6,22,76,00,957	2,33,25,60,502	

* Sterling converted into Rupees at £1=Rs. 10.

(a) Of this amount, R17,753 represents the funds of the Cold Standard Reserve.

Central Government, in India and in England—*contd.*

Revised Estimate, 1923-24.			Budget Estimate, 1924-25.		
India.	* England.	Total.	India.	* England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3,75,46,89,000	1,88,44,23,000		3,68,55,85,000	1,80,88,89,000	
35,19,000	...	35,19,000	28,71,000	...	28,71,000
		20,44,000			6,70,000
98,35,000	...	98,35,000	1,20,63,000	...	1,20,63,000
		0			0
85,00,00,000	...		86,00,00,000	...	
6,70,000	...		2,76,000	...	
5,03,89,000	...		5,01,21,000	...	
14,81,70,000	...		15,60,85,000	...	
4,31,16,000	...		...	...	
...	...		4,62,000	...	
59,85,000	...		59,90,000	...	
45,22,31,000	...		40,94,91,000	...	
...	2,42,70,000		...	2,00,00,000	
...	2,00,00,000		...	...	
1,39,74,000	5,16,80,000		50,74,000	3,02,30,000	
...	26,75,00,000		...	21,50,00,000	
14,00,00,000	5,84,77,000		...	10,00,00,000	
1,70,45,35,000	42,19,27,000	2,12,64,62,000	1,48,74,99,000	36,52,30,000	1,85,27,29,000
		0			3,38,000
7,14,00,000	...	7,14,00,000	4,47,000	...	4,47,000
		5,05,37,000			0
5,54,39,78,000	2,30,63,50,000 (b)		5,18,84,65,000	2,17,41,[illegible] (b)	
25,95,80,424	9,82,19,688		22,96,85,424	11,80,01,688	
5,80,35,58,424	2,40,45,69,688		5,41,81,50,424	2,29,21,20,688	

(b) Of this amount, R36,584 represents the funds of the Gold Standard Reserve.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1922-23.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	89,90,74,189	30,57,91,558	1,20,48,65,747
Exchange charged as Expenditure	15,94,39,801	...	15,94,39,801
Total	1,05,85,13,990	30,57,91,558	1,36,43,05,548
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—			
Construction of State Railways	8,56,60,812	9,86,81,493	18,43,42,305
Redemption of Liabilities involved in the purchase of Railways	...	...	...
Payments for discharge of debentures	23,34,021	40,00,000	63,34,021
Construction of Irrigation Works	2,24,273	946	2,25,219
Capital outlay on Indian Postal and Telegraph Department	65,62,006	...	65,62,006
Initial expenditure on new Capital at Delhi	1,66,89,065	17,90,367	1,84,79,432
Public Debt Discharged—			
Permanent Debt—			
Rupee Debt—			
5½ p. c. War Bonds, 1920	12,06,675	...	
Do. Do. 1921	34,07,950	...	
Do. Do. 1922	7,41,03,400	...	
Do. Do. 1923	8,00,500	...	
Do. Do. 1925	...	...	
Do. Do. 1928	...	...	
5 p. c. War Loan, 1929-47	54,39,500	...	
5 p. c. Loan, 1945-55	1,37,23,800	...	
4 p. c. Loans	2,31,67,300	...	
3½ p. c. Loans	3,076	...	
3 p. c. Loan	78,400	...	
Provincial Debenture Loans	200	...	
Total	12,19,30,801	...	12,19,30,801
Floating Debt— Net			0
Treasury Bills—			
Issued to Public	78,56,90,000	...	
Do. Paper Currency Reserve	57,89,00,000	...	
Other Floating Loans	...	...	
Total	1,36,45,90,000	...	1,36,45,90,000
Unfunded Debt— Net			40,61,80,000
Special Loans	30,387	...	
Deposits of Service Funds	15,21,881	1,35,973	
Post Office Cash Certificates	1,91,46,822	...	
Savings Bank Deposits	20,10,57,865	76,732	
Total	22,17,56,955	2,12,705	22,19,69,660
Deposits and Advances— Net			0
Deposits of Local Funds—			
District Funds	11,97,70,540	...	
Other Funds	7,87,78,969	...	
Deposits of Branch Line Companies	6,69,132	...	
Sinking Funds for Central Loans	1,70,22,478	...	
Gold Standard Reserve	...	1,47,88,73,193	
Paper Currency Reserve	8,16,02,454	24,19,85,356	
Departmental and Judicial Deposits	81,00,39,386	...	
Railway Revenue Surplus Account	...	...	
Advances	12,82,61,673	1,24,75,892	
Discount Sinking Fund	...	...	
Suspense Accounts	4,99,45,779	1,99,91,723	
Miscellaneous	96,09,352	71,69,186	
Total	1,29,56,99,763	1,76,04,95,350	3,05,61,95,113
Net			0
Carried over	4,17,39,61,686	2,17,09,72,419	

* Sterling converted into Rupees at £ 1=Rs. 10.

Central Government, in India and in England.

Revised Estimate, 1923-24.			Budget Estimate, 1924-25.		
India.	* England.	Total.	India.	* England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
84,80,50,000	31,00,26,000	1,15,80,76,000	87,03,52,000	30,85,48,000	1,17,89,00,000
14,09,21,000	...	14,09,21,000	13,35,50,000	...	13,35,50,000
98,89,71,000	31,00,26,000	1,29,89,97,000	1,00,39,02,000	30,85,48,000	1,31,24,50,000
12,83,12,000	10,77,52,000	23,60,64,000	18,43,16,000	11,56,84,000	(a) 30,00,00,000
...	...	...	8,57,03,000	18,50,00,000	27,07,03,000
32,52,000	71,55,000	1,04,07,000	43,76,000	1,01,10,000	1,44,86,000
5,000	2,000	7,000	...	...	...
96,65,000	...	96,65,000	1,73,95,000	...	(b) 1,73,95,000
1,74,69,000	7,31,000	1,82,00,000	1,41,62,000	5,38,000	(c) 1,47,00,000
4,00,000	...		3,00,000	...	
6,00,000	...		4,00,000	...	
26,00,000	...		4,00,000	...	
1,40,00,000	...		15,00,000	...	
1,000	...		...	...	
32,000	...		...	...	
45,00,000	...		45,00,000	...	
6,32,000	...		78,68,000	...	
2,72,00,000	...		22,00,000	...	
3,000	...		...	...	
14,00,000	...		7,00,000	...	
...	...		...	...	
5,13,68,000	...	5,13,68,000	1,78,68,000	...	1,78,68,000
		0			0
26,09,00,000	...		2,13,00,000	...	
55,25,00,000	...		55,25,00,000	...	
5,00,00,000	...		...	...	
86,34,00,000	...	86,34,00,000	57,38,00,000	...	57,38,00,000
		19,46,00,000			2,13,00,000
30,000	...		36,000	...	
15,29,000	3,00,000		15,40,000	20,000	
1,62,00,000	...		1,50,00,000	...	
20,94,53,000	70,000		21,73,59,000	50,000	
22,72,12,000	3,70,000	22,75,82,000	23,39,29,000	70,000	23,39,99,000
		0			0
12,46,95,000	...		12,14,21,000	...	
8,20,04,000	...		8,22,71,000	...	
10,05,000	...		8,89,000	...	
47,00,000	...		1,14,94,000	...	
...	1,19,54,21,000		...	1,10,74,06,000	
...	43,25,37,000		...	45,98,58,000	
76,22,16,000	...		73,69,17,000	...	
...	...		1,00,00,000	...	
18,82,33,000	94,93,000		18,23,56,000	14,01,000	
81,72,000	...		...	...	
2,54,49,000	1,82,48,000		95,90,000	1,72,58,000	
...	1,96,48,000		...	77,06,000	
1,19,64,74,000	1,67,53,47,000	2,87,18,21,000	1,15,49,38,000	1,59,36,29,000	2,74,85,67,000
		0			0
3,48,61,28,000	2,10,13,83,000		3,29,03,89,000	2,21,35,79,000	

(a) Of this amount, R2,39,000 is non-voted and the balance of R29,97,61,000 is voted.
(b) The whole of this amount is voted.
(c) Of this amount, R4,03,000 is non-voted and the balance of R1,42,97,000 is voted.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1922-23.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Brought forward .	4,17,39,61,686	2,17,09,72,419	
Loans and Advances by the Central Government	12,07,493	...	12,07,493
Net .			0
Loans between Central and Provincial Governments	10,77,20,861	...	10,77,20,861
Net .			9,59,52,697
Remittances—			
Remittances within India—			
Inland Money Orders	83,55,79,888	...	
Other Local Remittances . . .	...	...	
Other Departmental Accounts . .	1,15,300	...	
Net Payments into Civil Treasuries by—			
Railways	13,65,33,804	...	
Posts and Telegraphs			
Net Issues from Civil Treasuries to—			
Posts and Telegraphs	2,43,79,791	...	
Marine	1,06,58,347	...	
Army and Military Works . . .	49,46,89,480	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	2,63,85,360	...	
Sale of gold	...	...	
Other transactions	10,89,16,250	4,38,80,670	
Remittances from India for financing Home Treasury	4,76,62,361	...	
Transfers through Paper Currency Reserve .	2,09,912	5,458	
Total .	1,68,51,30,493	4,38,86,128	1,72,90,16,621
Net .			0
Balances of Provincial Governments . .	...	1,94,82,267	1,94,82,267
Net .			0
Total Disbursements .	5,96,80,20,533	2,28,43,40,814 (a)	
Closing Balance .	25,95,80,424	9,82,19,688	
GRAND TOTAL .	6,22,76,00,957	2,33,25,60,502	

* Sterling converted into Rupees at £1=Rs. 10.

Delhi,
Finance Department.
The 29th February 1924.

M. F. GAUNTLETT.
Auditor General.

Central Government, in India and in England—*contd.*

Revised Estimate, 1923-24.			Budget Estimate, 1924-25.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3,48,61,28,000	2,10,13,83,000		3,29,03,89,000	2,21,35,79,000	
14,75,000	...	14,75,000	22,01,000	...	22,01,000
		0			0
12,30,61,000	....	12,30,61,000	13,93,25,000	...	13,93,25,000
		11,32,26,000			12,72,62,000
85,05,00,000	...		86,00,00,000	...	
6,69,000	...		6,54,000	...	
5,00,62,000	...		5,00,00,000	...	
15,51,70,000	...		15,60,85,000	...	
4,31,16,000	...		...	...	
...	...		4,62,000	...	
59,85,000	...		59,90,000	...	
45,22,31,000	...		40,94,91,000	...	
2,42,70,000	...		2,00,00,000	...	
2,00,00,000	...		...	...	
3,52,29,000	2,43,22,000		2,73,78,000	73,31,000	
26,75,00,000	...		21,50,00,000	...	
5,84,77,000	14,00,00,000		10,00,00,000	...	
1,96,32,09,000	16,43,22,000	2,12,75,31,000	1,84,50,60,000	73,31,000	1,85,23,91,000
		10,69,000			0
...	2,08,63,000	2,08,63,000	...	2,37,70,000	2,37,70,000
		0			2,33,23,000
5,57,38,73,000	2,28,65,68,000 (a)		5,27,69,75,000	2,24,46,80,000 (a)	
22,96,85,424	11,80,01,688		14,11,75,424	4,74,40,688	
5,80,35,58,424	2,40,45,69,688		5,41,81,50,424	2,29,21,20,688	

(a) Of this amount, R36,584 represents the funds of the Gold Standard Reserve.

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

D.—Abstract Statement of the Receipts and Disbursements of the

REVENUE AND EXPENDITURE.		Accounts, 1922-23.			
		Revenue.	Expenditure.	Net Receipts.	Net Charges.
		Rs.	Rs.	Rs.	Rs.
Principal Heads of Revenue	Customs	41,34,65,362	70,62,000	40,64,03,362	
	Taxes on Income	17,99,41,150	44,56,136	17,54,85,014	
	Salt	6,82,46,112	1,51,36,147	5,31,09,965	
	Opium	3,78,92,068	1,86,60,643	1,92,31,425	
	Other heads	2,34,00,268	68,90,054	1,65,10,214	
	Total	72,29,44,960	5,22,04,980	67,07,39,980	...
Commercial Services	Railways	26,82,98,476	25,60,99,247	1,21,99,229	...
	Irrigation	10,90,752	13,75,391	...	2,84,639
	Posts and Telegraphs	1,22,29,448	76,98,536	45,30,912	...
Debt Services	Interest	1,15,70,696	16,15,89,540	...	15,00,18,844
Civil Administration	Civil Administration	44,34,528	9,94,32,040	...	9,49,97,512
Currency, Mint and Exchange	Currency	3,35,08,720	87,14,206	2,47,94,514	...
	Mint	26,94,411	15,95,525	10,98,886	...
Civil Works	Civil Works	14,38,067	1,34,81,040	...	1,20,42,973
Miscellaneous Civil Services	Famine Relief	...	80,651	...	80,651
	Superannuation	28,50,509	3,60,44,468	...	3,31,93,959
	Miscellaneous	16,76,985	68,02,072	...	51,25,087
	Other Heads	17,19,131	91,28,897	...	74,09,766
Military Services	Army—Effective	4,49,71,920	55,35,72,656	...	50,86,00,736
	Army—Non-effective	34,00,973	9,34,87,494	...	9,00,86,521
	Marine	32,72,538	1,39,98,618	...	1,07,26,080
	Military works	57,33,434	4,90,00,187	...	4,32,66,753
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments		9,22,93,608	...	9,22,93,608	...
	Total	1,21,41,29,156	1,36,43,05,548	80,56,57,129	95,58,33,521
	Surplus			...	
	Deficit			15,01,76,392	

Central Government, in India and in England.

Revised Estimate, 1923-24.		Budget Estimate, 1924-25.	
Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Rs.	Rs.	Rs.	Rs.
39,69,60,000		44,18,26,000	
18,42,47,000		17,56,78,000	
7,27,62,000		9,09,27,000	
1,72,21,000		2,24,52,000	
2,11,34,000		1,70,05,000	
69,23,24,000	...	74,78,88,000	...
6,28,00,000	...	4,27,30,000	...
...	5,31,000	...	10,38,000
72,32,000	...	1,18,41,000	...
...	13,50,63,000	...	14,97,90,000
...	8,89,61,000	...	9,08,35,000
2,04,05,000	...	2,85,93,000	...
...	1,69,000	62,000	...
...	1,47,92,000	...	1,04,14,000
...	12,000	...	14,000
...	2,83,91,000	...	2,74,10,000
2,09,83,000	...	...	74,50,000
...	82,49,000	...	72,51,000
...	46,29,45,000	...	46,60,31,000
...	9,00,46,000	...	8,88,41,000
...	68,66,000	...	76,76,000
...	3,75,62,000	...	3,99,52,000
9,04,50,000	...	7,49,46,000	...
89,41,94,000	87,35,87,000	90,60,60,000	90,57,02,000
2,06,07,000		3,58,000	
...		...	

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England—*concld.*

		Accounts, 1922-23.		Revised Estimate, 1923-24.		Budget Estimate, 1924-25.	
		Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Surplus	...	...	2,06,07,000	...	3,58,000	...
	Deficit	...	15,91,76,392	...	...	...	...
Capital Account.	Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue :—						
	Capital contributed by Railway Companies and Indian States towards construction of State Railways	28,26,557	...	...	...	80,24,000	...
	Construction of Irrigation Works	...	2,25,219	...	7,000	...	...
	Construction of State Railways	...	18,43,42,305	...	23,60,64,000	...	30,00,00,000
	Capital outlay on Indian Postal and Telegraph Department	...	65,62,006	...	96,65,000	...	1,73,95,000
	Initial expenditure on new Capital at Delhi	...	1,84,79,432	...	1,82,00,000	...	1,47,00,000
	Payments for discharge of Debentures	...	63,34,021	...	1,04,07,000	...	1,41,86,000
	Redemption of Liabilities involved in the purchase of Railways	...	...	...	...	...	27,07,03,000
Debt, Deposits, Advances and Remittances.	Permanent Debt (net)	66,22,99,053	...	37,11,61,000	...	36,95,87,000	...
	Floating Debt (net)	...	49,61,80,000	...	19,46,00,000	...	2,13,00,000
	Unfunded Debt (net)	2,96,51,483	...	10,74,36,000	...	7,51,45,000	...
	Loans and Advances by Central Government (net)	20,42,338	...	20,44,000	...	6,70,000	...
	Loans between Central and Provincial Governments (net)	...	9,50,52,697	...	11,32,26,000	...	12,72,62,000
	Deposits and Advances. (net)	17,82,38,542	...	2,13,37,000	...	17,59,76,000	...
	Remittances (net)	37,92,494	...	...	10,69,000	3,38,000	...
	Balances of Provincial Governments (net)	6,34,730	...	5,05,37,000	...	...	2,33,23,000
Cash Balance.	Opening Balance	34,65,66,987	...	35,78,00,112	...	34,76,87,112	...
	Closing Balance	...	35,78,00,112	...	34,76,87,112	...	18,86,16,112
	Total	1,22,60,52,184	1,22,60,52,184	93,09,25,112	93,09,25,112	97,77,85,112	97,77,85,112

M. F. GAUNTLETT,
Auditor General.

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT.
The 29th February 1924.

THE INDIAN FINANCE BILL.

INTRODUCED IN THE LEGISLATIVE ASSEMBLY ON THE 1ST MARCH, 1924.

A Bill to fix the duty on salt manufactured in, or imported by land into certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923 and to fix rates of income-tax; It is hereby enacted as follows :— VIII of 1894. VI of 1898. X of 1923.

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1924.

(*2*) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(*3*) Sections 2 and 4 shall remain in force only up to the 31st day of March, 1925.

Fixation of salt duty.

2. (*1*) The provisions of section 7 of the Indian Salt Act, 1882, shall, *in so far as they enable the Governor General in Council to impose by rule made under that section* a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the 1st day of March, 1924, they imposed such duty at the rate of two rupees per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section. XII of 1882.

(*2*) With effect from the 1st day of March, 1924, section 2 of the Indian Finance Act, 1923, is hereby repealed.

Amendment of Act VIII of 1894.

3. With effect from the first day of March, 1924, the amendments specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894. VIII of 1894.

Postal rates.

4. With effect from the first day of April, 1924, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. VI of 1898.

5. With effect from the first day of March, 1924, the following amendments shall be made in the Motor Spirit (Duties) Act, 1917, namely :— II of 1917.

(*a*) in sub-section (*1*) of section 3, for the words "six annas" the words "four annas and six pies" shall be substituted.

(*b*) section 6 shall be omitted.

X of 1923.

6. In sub-section (*7*) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1924" the figures "1925" shall be substituted.

Amendment of Act X of 1923.

7. (*1*) Income-tax for the year beginning on the first day of April, 1924, shall be charged at the rates specified in Part I of the Third Schedule.

Income-tax and super-tax.

(*2*) The rates of super-tax for the year beginning on the first day of April, 1924, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule.

XI of 1922.

(*3*) For the purposes of the Third Schedule, "total income" means total income as defined in clause (*15*) of section 2 of the Indian Income-tax Act, 1922.

XI of 1922.

It is hereby declared that it is expedient in the public interest that the provisions of clauses 2, 3 and 5 of this Bill should have temporary effect under the provisions of the Provisional Collection of Taxes Act, 1918.

XVI of 1918.

SCHEDULE I.

Amendments to be made in Schedule II to the Indian Tariff Act, 1894.

[*See section 3.*]

1. After Item No. I the following Item shall be inserted, namely :—

"1A	GRAIN and PULSE, all sorts, including broken grains and pulse, but excluding flour (*see* No. 68)."		

2. In Item No. 40 the words "and MOTOR SPIRIT" where they first occur in the entry in the second column, and the NOTE to that entry shall be omitted.

3. After Item No. 40 the following Item shall be inserted, namely :—

"40A	MOTOR SPIRIT . . .	Imperial Gallon.	Four annas and six pies."

4. After Item No. 46 the following Items shall be inserted, namely :—

"46A	Undipped SPLINTS such as are ordinarily used for match making.	Pound .	Four annas and six pies.
"46B	VENEERS such as are ordinarily used for making match boxes, including boxes and parts of boxes made of such veneers.	Pound .	Six annas."

5. Item No. 47 and the heading thereto shall be omitted.

6. In Item No. 51, after the figures "15, 16" the figures and letter "51-B" shall be inserted.

7. After Item No. 51-A the following Item shall be inserted, namely :—

"51-B. 1 BOBBINS, HEALDS, HEALD CORDS, HEALD KNITTING NEEDLES and SHUTTLES."

8. In Item No. 96, for the word and figures "and 18" the figure and word "18 and 51-B" shall be substituted.

9. After Item No. 121 the following Item shall be inserted, namely :—

"121A 1 GOLD THREAD, SILVER THREAD and LAMETTA, including imitation gold and silver thread and imitation lametta."

10. In Item No. 132 the words "gold thread and wire" shall be omitted and after the words "all sorts" the following shall be added, namely :—

"but not including gold thread or lametta or imitation gold thread or lametta (*see* No. 121A)."

11. In Item No. 133, the words "silver thread and wire" shall be omitted and after the words "all sorts" the following shall be added namely :—

"but not including silver thread or lametta or imitation silver thread or lametta (*see* No. 121-A)."

SCHEDULE II.

Schedule to be inserted in the Indian Post Office Act, 1898.

(*See section 4.*)

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

(*See section 7.*)

Letters.

For a weight not exceeding two and a half tolas	One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas.	One anna.

Postcards.

Single	Half an anna.
Reply	One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof	Half an anna.

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas .	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas .	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas .	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas . .	Four annas."

SCHEDULE III.

(*See section 7.*)

PART I.

Rates of Income-tax.

	Rate.
A. In the case of every individual, every unregistered firm and every undivided Hindu family—	
(1) When the total income is less than Rs. 2,000	*Nil.*
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.	Five pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	Six pies in the rupee.

	Rate.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 20,000.	Nine pies in the rupee.
(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	One anna in the rupee.
(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and three pies in the rupee.
(7) When the total income is Rs. 40,000 or upwards . . .	One anna and six pies in the rupee.
B. In the case of every company, and every registered firm, whatever its total income.	One anna and six pies in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over fifty thousand rupees of total income :—

	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first twenty-five thousand rupees of the excess.	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess.	One anna in the rupee.
(*b*) in the case of every individual and every unregistered firm, for every rupee of the first fifty thousand rupees of such excess	One anna in the rupee.
(*c*) in the case of every individual, every unregistered firm and every Hindu undivided family—	
(*i*) for every rupee of the second fifty thousand rupees of such excess	One and a half annas in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess	Two annas in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess	Two and a half annas in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess	Three annas in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess	Three and a half annas in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess	Four annas in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess	Four and a half annas in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess	Five annas in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess	Five and a half annas in the rupee.
(*x*) for every rupee of the remainder of the excess . .	Six annas in the rupee.

STATEMENT OF OBJECTS AND REASONS.

1. The object of this Bill is to fix the salt duty at Rs. 2 a maund as explained in my speech introducing the Budget for 1924-25 and to continue certain provisions of the Indian Finance Act, 1923, which would otherwise cease to have effect from the 1st April 1924.

2. Clause 2 of the Bill provides for the levy of the duty on salt at Rs. 2 per maund.

3. Clauses 3 and 5 give effect to certain minor amendments which it is proposed to make in the Tariff. The changes are not important from the revenue point of view and are as follows :—

(*i*) The 2½ per cent. import duty on grain and pulse is removed in accordance with the recommendation of the Fiscal Commission. Import of these articles is negligible in normal times and the duty is suspended in times of scarcity. It has been in suspense since January 1921.

(*ii*) At present motor spirit produced in India is subject to an excise of six annas a gallon and imported motor spirit to an import duty of 8½ annas a gallon. Imports are extremely small and in order to cheapen motor spirit, it is proposed to reduce the excise duty to 4½ annas a gallon and to levy customs duty on imported motor spirit at the same rate, *viz.*, 4½ annas a gallon.

(*iii*) With a view to evade the high duties at present levied on imported matches, the practice of importing empty boxes and splints and of dipping splints in India has extended. In order to protect revenue, it is proposed to levy specific duties on these component parts.

(*iv*) Certain articles such as bobbins, healds, etc., can be used as component parts either of power looms or handlooms and are therefore assessable to duty under the higher rate, *i.e.*, as component parts of handlooms. Their chief use, however, is in power looms. It is proposed to amend the schedule so as to make it clear that the duty to be levied on these articles is the same as that on other component parts of power machinery, namely 2½ per cent.

(*v*) The assessment of duty on gold thread, etc., under the existing schedule has given rise to administrative difficulties, thread with any trace of gold having hitherto been assessed at 30 per cent., instead of at the general rate of 15 per cent. There is also reason to believe that the difference in rates of duty is stimulating the trade in imitation gold and silver thread and lametta at the expense of gold and silver thread proper. It is proposed to make the duties on gold and silver thread and lametta uniform at 15 per cent.

4. Clauses 4 and 7 provide for the continuance of the rates of postage, income-tax and super-tax prescribed by the Indian Finance Act of 1923, while clause 6 provides for the credit to revenue for a further period of

one year, *i.e*, till the 31st March 1925, of interest on securities forming part of the Paper Currency Reserve.

5. The changes mentioned in paragraphs 2 and 3 are intended to come into effect from the 1st March 1924; the rest from April 1st. The provisions other than those mentioned in paragraph 3 will have effect till the 31st March 1925.

BASIL P. BLACKETT.

The 29th February 1924.

Speech of the Finance Secretary in the Council of State on the 29th February 1924.

THE HONOURABLE MR. A. C. McWATTERS (Finance Secretary): Sir, I rise to present a statement of the estimated revenue and expenditure of the Governor General in Council for the year 1924-25. At the conclusion of my remarks, copies of this statement and other connected papers will be circulated to all Members of this House, together with copies of the speech which the Honourable the Finance Member is now making in the other House. I shall therefore confine myself to a concise statement and explanation of the more important facts and figures which will be of interest to Honourable Members. On Monday last I had an opportunity of explaining the reasons which have led the Government to present the Budget Statement at this somewhat unusual hour. If it has caused any inconvenience to Honourable Members, I know they will recognise that the change has been made in the interests of the commercial public and in the interests of our officers at the Custom Houses.

Before I proceed to my main subject, I should like to refer, very briefly, to the final outturn for the year 1922-23, the year which ended on the 31st of March last. When we prepared the revised estimates for that year, 12 months ago, we estimated that there would be a deficit of Rs. 17¼ crores. The final accounts have now been prepared, and we find the actual deficit is 15 crores 2 lakhs. This difference of 2¼ crores is due mainly to savings in military expenditure, and, in particular, to the non-utilization of a sum of £800,000 which had been provided for India's share in the cost of demobilising surplus troops. I mention this saving of 2¼ crores particularly because, in the present year, as the House will shortly learn, the difference between our revised estimate and the actuals when known, may be a matter of considerable importance, as it is a question between having a budget which balances and a small deficit. The House will remember that the Budget estimate for 1923-24, the current year, as finally fixed, provided for a surplus of 81 lakhs. The revenue was estimated at 134 crores, 90 lakhs and the expenditure at 134 crores, 9 lakhs. We now estimate that our revenue will be worse by 5 crores, 38 lakhs. Our expenditure, on the other hand will be less by 4 crores, 19 lakhs. The net result is that instead of a surplus of 81 lakhs, we estimate, on our ordinary revenue and expenditure, a deficit of 38 lakhs. We hope that that deficit may even now be removed when the final figures are before us. I said advisedly our *ordinary* revenue and *ordinary* expenditure because this estimate does not take account of a very large credit from an extraordinary windfall to which I will return later on.

This estimated deficit of 38 lakhs is perhaps less than may have been anticipated by those who may have considered merely the published returns of our large revenue-earning departments. There is no doubt that our revenue estimates were on the optimistic side. It is true they were not based on an expectation of a boom in trade, but they provided for a steady revival. That revival has been slower than we hoped, I think mainly through causes external to India. In India we have had a good monsoon, we have had on the whole good prices for most of our staple products, and with the one notable exception of the cotton mill industry in Bombay, there are distinct signs of improvement. I would like to point for a moment to the figures of the balance of trade. For the 10 months ending 31st of January last, the balance of trade, including imports of

bullion, has been in favour of India to the extent of 63 crores 42 lakhs. In the preceding year it was in favour of India by 20½ crores only, and the year before that there was an adverse balance of 33 crores. I think the House will recognise that this is an important change in the right direction, especially for a country like India which has large external liabilities, and which depends on foreign markets for disposing of its surplus products. It also is most useful, as the House will realise, for the support of our currency system to have a favourable trade balance.

I will now give the House a very few details of the revenue and expenditure of the current year.

Under Customs we budgeted for a net figure of 45 crores, 10 lakhs. We expect to receive only 40 crores, 42 lakhs. That is 4 crores 68 lakhs less than the estimate. I may explain however that 50 lakhs of this is due to a decision of the Bombay High Court under which stores imported by company-railways have been treated as Government stores and have therefore been exempted from payment of customs duty. Against this decision the Government of India have appealed to the Privy Council. If that decision is in our favour, we shall obtain a refund of 50 lakhs. If, on the other hand, it goes against us, we shall have to provide for refunds of about two crores to the railways. It represents the duty which they have paid under protest from the time when this question was first contested in the Courts.

Our estimates under sugar have been less by 1 crore 15 lakhs, and I think that here we must admit that we did not take sufficient account of the reduced tariff valuation of sugar which came into force at the beginning of January 1923. Under other items the falling-off has been due almost entirely to the fall in prices which has adversely affected our *ad valorem* duties. In this way under piece-goods we shall lose 73 lakhs; under metals 58, under cutlery and hardware 35, and the cotton excise duty will be less by 38 lakhs in view of the depression of the Bombay mill industry.

Next as to Salt. We budgeted for a revenue of 11¼ crores, of which 4½ crores was estimated to be a result of the doubling of the duty. The House is well aware of the circumstances and the history of this tax. There are two circumstances which have led to our not obtaining the full amount of duty which we expected. The first is that in January and February 1923 the salt merchants took out in advance large quantities of salt in anticipation of an increase of duty on the 1st of March. We estimate that the amount so taken out beyond the ordinary requirements for consumption was 36 lakhs of maunds. In the second place, throughout the year and more especially in the later months, the salt dealers have allowed stocks in the country to run down to a minimum, no doubt in expectation of a reduction in the duty. The net result has been that the actual amount of salt issued is expected to be 380 lakhs of maunds against a normal annual consumption of 495 lakhs, and the total amount which we expect to obtain from the duty will be 8¾ crores—that is, 3 crores below the estimate.

As regards Railways, we estimated gross receipts of 95.57 crores. During the early part of the year the returns were unsatisfactory and later on there were breaches on some of the more important lines, but the returns recently have been much more satisfactory and we expect to receive in gross receipts altogether 94·22 crores—which is 1⅓ crores below the estimate. On the other hand, we have been able to effect savings in working expenses and there has been a reduction in the expenditure on Programme Revenue both of which combined will result in a saving of 1·93 crores. The net

result is that from Railways we expect to receive a net return of 58 lakhs more than we had estimated. I need not trouble the House with many other items. Under Income Tax we expect to get our full return of 19 crores; from Opium 38 lakhs more than in the estimate; Posts and Telegraphs will be short by 22 lakhs. There remains one big item under "Interest, Currency and Miscellaneous." We expect under these heads to be better by 1·42 crores. This is due to the fact that the interest yield on short term money in London has been better, and we have, owing to favourable opportunities for remittance, invested larger sums in sterling securities in London. Included in the figure which I have quoted is an item of 37 lakhs which is the profit from our recent sale of gold.

On the Expenditure side we have to provide an extra item of 70 lakhs under Opium. In July last we obtained from the Assembly a supplementary grant of 77 lakhs on account of the increased outturn of the opium crop in Central India and the United Provinces. Only 70 lakhs of this will be spent. Under Interest Charges we effect a saving of 74 lakhs. This is an important item. It has mainly been due to the fact that we have been able to reduce the Budget provision for discount on Treasury Bills. Two years ago on the 31st March 1922 the amount of floating debt in the shape of Treasury Bills held by the public was no less than 54 crores. A year ago it was 22 crores. On the 31st March next we estimate that the figures will be 2 crores only. Speaking as one who for more than the last three years has been somewhat intimately connected with the handling of our daily balances, I can testify to the relief which the removal of this incubus has given to the Government, and I feel sure that the commercial public will also be relieved since the exigencies of our short term borrowings have from time to time caused considerable dislocation to the market. Under Sinking Funds we shall not utilize the additional provision of 80 lakhs for the depreciation fund of our 5 per cent. loans, since these loans have for the greater part of the year remained above their issue price. Under other heads of civil expenditure, which were already much reduced as a result of the Inchcape Committee's recommendations, we hope to effect a further saving of 50 lakhs.

I will next refer to Military Expenditure. In the Budget we provided for gross Military expenditure of 65 crores and 5 lakhs, and net Military expenditure of 62 crores. The House will be aware that the full reductions have been made in combatant troops as recommended by the Inchcape Committee with the exception of one Cavalry regiment, but the resulting economies from these reductions cannot take effect fully until next year. His Excellency the Commander-in-Chief has, however, been able by means of other economies to effect a more than corresponding reduction. The established charges for military services during the current year are now estimated at 60¼ crores as compared with the figure of 61 crores and 94 lakhs which was taken in the Budget. The Inchcape Committee also recommended that by the consumption and disposal of excess military stores a non-recurring saving of 2¼ crores could be effected in the current year. The actual saving effected in this way amounts to 3 crores. There is also a further credit of an extraordinary character which comes into the current year, amounting to 41 lakhs, from the sale of certain temporary military buildings. On the other hand, the expenditure on Waziristan is estimated to be 2 crores against 1 crore and 69 lakhs taken in the Budget, and the expenditure on gratuities to demobilised officers will be 1½ crores against a provision of 62 lakhs. There is also a saving in exchange amounting to 46 lakhs. The net result is that the net military budget will be 59 74 crores, which represents a saving on our Budget Estimate of 226 lakhs.

Finally, with regard to Exchange, we budgeted for a figure of 1*s*. 4*d*. As the House is aware, exchange has been above 1*s*. 4*d*. during practically the whole of the year, and during recent months has been in the neighbourhood of 1*s*. 5*d*. On the year as a whole we shall obtain an average rate of 1*s*. 4$\frac{1}{8}$*d*. The saving in our expenditure on this account, including railways and commercial services, will be 1·28 crores. The net result is, as I have said, that our revenue will be worse by 5 crores 38 lakhs, our expenditure will be better by 4 crores 19 lakhs, and we expect at present, though we hope it may eventually be removed, a deficit of 38 lakhs.

And this brings me to the windfall. This windfall arises from the credit to India of the profits earned from the control of enemy ships and certain minor items of a similar character. All claims have not yet been settled and a few minor items are outstanding, but we are now assured of a credit to Indian revenues of the large sum of £3$\frac{1}{4}$ million sterling which amounts to 4 crores 73 lakhs. In answer to a question in the House a few days ago I explained that this windfall did not represent any actual cash received during the current year. It is money which has merged in the balances of the Secretary of State and the High Commissioner for India and which has been utilised by them for their ordinary expenditure, thereby reducing our borrowings. It is obviously incorrect that an extraordinary item of this kind should be taken to meet any of our ordinary recurring expenditure, but there are just two special items to which I wish to refer. The first is that, following British precedent and in anticipation of any sums which may become available from Reparations, we propose to set aside next year a sum of 25 lakhs as compensation to private individuals who have suffered from enemy action. We do not consider that this would be a fair charge on our ordinary revenues, and we therefore propose to earmark 25 lakhs of this extraordinary windfall for this purpose. Secondly, there is the sum of 2 crores which, as I have already explained, we may have to pay as refunds to company railways in the event of the appeal to the Privy Council going against us. We propose for the present to hold in suspense 2 crores out of the windfall to meet this refund in case it should come due. The remainder of the windfall, which amounts to 244 lakhs, will come as a credit in the accounts of the current year which, including this credit, should show a surplus of 206 lakhs.

Before I proceed to the Budget for 1924-25, there are one or two matters of general interest to which I wish to refer. The first is the question of the separation of the railway budget from the general budget. As the House is aware a Resolution on this subject has been tabled by the Honourable the Commerce Member in the Legislative Assembly, and copies of a memorandum on the subject have been circulated to all Members of both Houses. I should only like to say that Government consider this change as one of the first importance both in the interests of general finance and in the interests of the railways. The railways will be enabled to conduct their business untrammelled by the limitations of our budget system and general finance will be able to count on an assured reasonable return from the railways unaffected by any of the vagaries of railway working. I need not tell the House in detail the arrangement which it is proposed to make; but briefly it is this, that general revenues will receive from railways first, a sum sufficient to pay interest on the capital invested in commercial lines; secondly, an additional sum of five-sixths of one per cent. on that capital; and thirdly, one-fifth of any surplus which the railways may earn. Among the papers which will be circulated at the close of my speech will be found a statement which shows how the railway contribution is arrived at for the year 1924-25, on the basis of this new arrangement and also, a comparison

showing what the contribution to general revenues would be on the old basis. Briefly, the position is this, that under the new system general revenues will receive 427 lakhs; under the old system they would have received 416 lakhs. But I should add that this latter result is only arrived at by a device of spreading over ten years a payment of 3 crores which is really due now, in order to write down to their proper value certain railway stores, the legacy of the war, which are either obsolete or standing above their proper value. If the railway budget is separated, the railways will be able to build up reserves out of which they will, like any other commercial concern, be able to write down the value of these surplus stores; but otherwise the obligation falls on general revenues and it is impossible in our present financial condition to find a sum of 3 crores in one year for this purpose. For this reason, we have had to resort, or rather may have to resort, to the somewhat unsatisfactory device in the event of non-separation.

Another subject to which I wish to refer very briefly is the provision for avoidance or redemption of our debt. Hitherto, all the items which partake of this character have been scattered over different portions of the budget; and the result has been that their adequacy has never been sufficiently emphasised or recognised. We propose for the first time to bring together in one place all these items. Taking the figures for the current year, we have first the depreciation fund for our 5 per cent. loans; this, as the House knows, is a sum equal to 1½ per cent. of the face value of the loans issued; that amounts to 74 lakhs. Then there is the additional provision of 80 lakhs which we have set aside for the same purpose during the last two or three years. Besides this, we have the annual instalment of the principal of India's war contribution amounting to £442,900 and the capital portion of the Railway Annuities and sinking funds which amounts to another £1,544,300. The total of these items converted at 1*s.* 4*d.* is 452 lakhs, or, if we omit the 80 lakhs additional provision which has not been utilised this year and allow for exchange, 363 lakhs. In the coming year the figures will be slightly different. The figures will be 465 lakhs or, omitting the provision of 80 lakhs, it will be 385 lakhs.

Now, in the course of the year the Government have examined this question in relation to the total amount of our debt and the different classes of that debt. They have applied to those different classes different criteria—to productive debt applying a certain period in which it should be redeemed, another period for unproductive debts on account of deficits, another period for the unproductive debt for Delhi; and the result of that examination has shown that the amount which is required under any reasonable criteria would not exceed roughly 4 crores, which is practically the same as the figure of our obligatory payments. This indicates that it is unnecessary for us to continue in the next year the additional provision of 80 lakhs for the depreciation fund for our 5 per cent. loans, a conclusion which we have arrived at independently from a consideration of the circumstances of the present year, when the loans have been standing for the greater part of the year well above their issue price.

There is just one other matter before I proceed to the Budget, the question of customs duty on Government stores. The House is aware that a Bill has been introduced in the Legislative Assembly to rescind the proviso to section 20 of the Sea Customs Act, which exempts Government stores from customs duty. The object of this Bill is to remove a disability under which Indian industries suffer from the fact that our purchasing departments do not always take into account fully the customs duty in com

paring the prices of stores ordered in England with stores purchased in India. But I propose to look at the question solely this evening from the point of view of the budget; and the effect on our budget will be this, that we shall receive an additional customs duty of 163 lakhs; on the other hand, we shall have to add to the expenditure of our different departments 53 lakhs, 25 of which is under military and 22 by way of assignments to Provincial Governments who will be required to pay duty on their imported stores. Of the remainder, 90 lakhs relates to stores imported by company railways, who, as a result of this Bill, will be placed in exactly the same position as they were before the Bombay High Court decision. Of the remaining 20 lakhs, 11 lakhs is for stores imported by State Railways on capital account; Government have thought it right to set aside as a special contribution from revenue to capital account a sum of 11 lakhs in order to avoid the inflation of railway capital for the benefit of revenue. With regard to company railways they do not propose to make this alteration at present, as we shall merely be restoring the previous position in respect of company-managed lines, but they will give this matter their further consideration.

There is still one other item before I come to the budget, that is the question of what rate of exchange we should take for next year. This matter is one of very considerable difficulty and Government must disclaim any intention to prophesy; during the current year we budgeted for 1*s.* 4*d.* and we have obtained 1*s.* 4½*d.* Our sterling position is undoubtedly strong, and on the whole, again I emphasise without any intention to prophesy, Government consider it reasonable to take a figure slightly in excess of the present year's average. I may say that every farthing makes a difference of 44 lakhs in our expenditure (excluding Railways). The Budget for 1924-25, therefore, will assume a rate of exchange at 1*s.* 4⅝*d.*

I now come to the Budget for 1924-25, and I do not propose to keep the House in suspense. I will tell them first the general result. The general result is that, if taxation remains unchanged, that is assuming for the moment that the salt tax remains at Rs. 2-8-0, we estimate that there will be a surplus of 3 crores 36 lakhs. If, however, the salt tax is reduced to Rs. 1-4-0, that surplus will be practically wiped out and we shall be left with a nominal surplus of 4 lakhs. If the salt tax were taken at Rs. 2-0-0 we should have a surplus of 1 crore 54 lakhs.

I will now give the House a very few details of our estimated expenditure and revenue before returning to this question of the surplus. First as to military expenditure, the gross military expenditure for next year is estimated at 63 crores and the net military expenditure at 60¾ crores, allowing for a saving in exchange of 68 lakhs. The figures which I will mention now are quoted at 1*s.* 4*d.* for purposes of comparison. The established charges for military services have been reduced in the military Budget to 59 crores, which includes 25 lakhs for customs duty on military stores. This figure of 59 crores—I should say 58¾ crores—should be compared with the figure entered in the last year's Budget of 61 crores 94 lakhs and with our revised estimate of 60¾ crores. There is one figure also with which I should like to compare it, and that is the figure for established military charges recommended for the current year's budget by the Inchcape Committee. That figure is 59 crores 38 lakhs, so that the established military charges are already considerably below the Inchcape figure. It must be recognised of course that in the Budget for next year we cannot obtain the non-recurring saving of 3 crores from the consumption of excess stores, nor can we get the 41 lakhs from the sale of temporary buildings. We have also a charge of 30 lakhs for roads and buildings in Waziristan, and 1 crore and 63 lakhs

for gratuities to demobilised officers. The net result is, as I have said, that the Military Budget, allowing for Exchange, will stand at 60¼ crores.

On the civil side we have given effect to practically all the Inchcape Committee's recommendations. We have allowed for the first time an item of 20 lakhs for new Civil works. For several years past we have made no provision whatever for new Civil works, but now we consider that the revenue position justifies our making a small beginning, as there are a large number of important and beneficial works which had been held up through lack of funds.

On the revenue side, we are taking the customs revenue at 45 crores 2 lakhs, which is 8 lakhs less than last year, but which includes the figure of one crore 63 lakhs from customs duty on Government stores. We have also taken into account the fact that the tariff valuation of sugar has been increased from the 1st January last; on other items we have only provided for a small increase over the amounts received in the current year. Under taxes on income we have had to write down the figure for the current year by about 85 lakhs. This is due entirely to the depression in the Bombay mill industry. The figure we have taken is, therefore, 18 crores 22 lakhs. The working of the Post and Telegraph Department will, we estimate, result in a net profit of 24 lakhs and in the detailed estimates will be found an attempt at a Profit and Loss Account which arrives at this result. We also propose to continue for another year the provision for credit to general revenues of the interest on the investments in the Paper Currency Reserve and the excess of the Gold Standard Reserve over £40 millions, which we consider is required by our present revenue position and is justified by the strength of our Reserves.

I think that those are all the detailed figures which will be of special interest to the House except Salt. The salt revenue is particularly difficult to estimate this year for three reasons: first, because stocks have been run down to a minimum; secondly, because the rate at which those stocks will be replenished depends on the rate of duty which may be taken. The lower the rate of duty the faster will be the rate of replenishment, and, if the duty is reduced to Rs. 1-4-0 we expect the rate of replenishment will be very rapid. Thirdly, there is the effect of our credit system under which large quantities of salt pay duty at a rate in force 6 months before. The net result, so far as we can estimate it, is that, if the salt duty remains at Rs. 2-8-0, we shall obtain a revenue of 12 crores 37 lakhs. If it were reduced to Rs. 2-0-0 we should obtain 10 crores 55 lakhs, and if it were reduced to Rs. 1-4-0 we should obtain 9 crores 5 lakhs. But I would point out that of this 9 crores 5 lakhs, no less than 2 crores 16 lakhs will be non-recurring owing to the fact that we expect a large replenishment of stocks over and above a normal year's consumption and also owing to the operation of our credit system, under which a large amount of salt will be paying duty at Rs. 2-8-0. What rate of duty, then, is Government going to recommend? As I say, if a rate of Rs. 1-4-0 is taken, it means that in the next year we shall have to make up a sum of 2 crores 16 lakhs before we can arrive at a surplus. I ask the House to consider what chances in these circumstances there would be of any remission of the provincial contributions not only in the next year but in the following year too if the salt duty is reduced to Rs. 1-4-0. Then as to the rate of Rs. 2-8-0, this rate was introduced owing to the paramount necessity of balancing the Budget. Government recognise that it was a rate of duty which was not accepted by the Assembly. There remains the middle course, to take the salt duty at Rs. 2-0-0. After most careful consideration, and after consultation with, and with the full approval of, the Secretary of State, the Government of India recommend that the salt duty should be reduced to Rs. 2-0-0. This

would leave a surplus of 1 crore 54 lakhs, and if this recommendation is accepted by the House, the Government's further recommendation is that 1½ crores of this surplus should be devoted to the reduction of provincial contributions. From this Madras will receive in round figures 80 lakhs, the Punjab 38, the U. P. 30 and Burma 2 lakhs.

In the Finance Bill which will shortly be in the hands of Honourable Members they will find no new proposals for taxation. There are however two items which are worth mentioning. One is that the import duty on motor spirit is being reduced to 4½ annas a gallon, and it is proposed also to reduce the excise on petrol to the same figure. We hope that the increase in consumption which should result will prevent us from suffering any loss in revenue from this source. The other proposal is, in order to safeguard our customs revenue from matches, to put a specific duty on imported splints which are used for match making and also on imported match boxes.

Before I conclude, Sir, I should like just to say a few words about our Ways and Means. The House will recognise that this is in some respects the most important part of the Budget. It does in fact disclose the consequences of our revenue and expenditure position. During the current year we have met sums of 23½ crores for railway capital expenditure, 3 crores roughly for Delhi and Irrigation, and Posts and Telegraphs. We have redeemed 5 crores of our funded debt. We have lent to Local Governments 11⅓ crores, and we have extinguished 19½ crores of Treasury Bills. We have accomplished this mainly by raising a rupee loan of 23 crores and a sterling loan of £18 millions, and we have been considerably helped also by returns from Cash Certificates and deposits in the Post Office Savings Bank. With regard to our remittances to England, we have introduced a new system by which the sales of Council Bills are supplemented by purchases of sterling in India through the Imperial Bank, and I think that the remittances which we have sent of £26¾ millions, have in this way been made with less disturbance to the exchange market than would otherwise have been the case. We have also during the recent busy season remitted a sum of Rs. 12 crores to London against the issue of paper currency out here in order to relieve money stringency, and we start the year with £14 millions in our sterling reserves in England. With regard to next year we have no funded debt to meet, and we shall have on the 31st of March very large balances. We have made full provision for a Railway programme of 30 crores and 3 crores for Delhi, irrigation and Post and Telegraph Capital outlay; we have provided for wiping out the remaining 2 crores of Treasury Bills, and for lending to Local Governments 13¾ crores, which is all that they have asked for. We have not taken into account any large receipts from Cash Certificates as it will probably be necessary to reduce their yield shortly in view of the better rates we are obtaining for our loans. We count on being able to meet all these obligations without further sales of Treasury Bills, without any sterling borrowing and by raising a rupee loan of not more than 20 crores.

I hope that the House will agree that this record of our revenue and expenditure and of our Ways and Means is not altogether unsatisfactory. It is true that we have in the not distant future to face very large payments of our short term bonds and we have still large obligations to the Provinces. We are still crediting to revenue the interest on our Paper Currency investments. We have still arrears of useful expenditure which has been held up. There is no case for relaxing effort, but I think that we may fairly claim now that we have turned the corner, and that we have passed for ever the era of unbalanced budgets. Finally, I can only thank the House for having given me their attention for so long.

Schedule of demands for grants for expenditure of the Central Government for the year 1924-25 submitted for the vote of the Legislative Assembly.

Number of demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount.
			R
	A.—Expenditure from Revenue.		
1	Customs	Customs	73,17,000
2	Taxes on Income	Taxes on Income	61,32,000
3	Salt	Salt	1,06,55,000
4	Opium	Opium	2,07,31,000
5	Land Revenue	Land Revenue	1,000
6	Excise	Excise	4,000
7	Stamps	Stamps	1,14,000
8	Forests	Forests	7,32,000
9	Railways (inclusive of Working Expenses and payment of Surplus Profits to Railway Companies).	State Railways Subsidised Companies, Miscellaneous Railway Expenditure.	(a)67,60,98,000
10	Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works.	Works for which capital accounts are kept, Miscellaneous Irrigation Expenditure, Construction of Irrigation, etc., Works.	18,92,000
11	Indian Postal and Telegraph Department (including Working Expenses).	Posts and Telegraphs	8,16,90,000
12	Indo-European Telegraph Department (including Working Expenses).		33,38,000
13	Interest on Debt and Reduction or Avoidance of Debt.	Interest on ordinary Debt	21,06,000
14	Interest on Miscellaneous Obligations	Interest on other Obligations	3,62,92,000
15	General Administration	General Administration	72,05,000
16	Audit	Audit	76,45,000
17	Administration of Justice	Administration of Justice	46,000
18	Jails and Convict Settlements	Jails and Convict Settlements	5,000
19	Police	Police	88,000
20	Ports and Pilotage	Ports and Pilotage	12,19,000
21	Survey of India	Scientific Departments	22,38,000
22	Meteorology	,,	6,3?,0
23	Geological Survey	,, ,,	2,20,000
24	Botanical Survey	,, ,,	6,41,000
25	Zoological Survey	,, ,,	1,09,000
26	Archæology	,, ,,	12,29,000
27	Mines	,, ,,	1,28,000
28	Other Scientific Departments	,, ,,	4,73,000
29	Education	Education	2,68,000
30	Medical Services	Medical	7,79,000
31	Public Health	Public Health	3,26,000
32	Agriculture	Agriculture	12,61,000
33	Civil Veterinary Services	,,	6,45,000
34	Industries	Industries	23,000
35	Aviation	Aviation	19,000
36	Commercial Intelligence	Miscellaneous Departments	1,71,000
37	Census	,, ,,	1,000
38A	Emigration—Internal	,, ,,	57,000
38B.	,, External	,, ,,	81,000
39	Joint-Stock Companies	,, ,,	1,32,000
40	Miscellaneous Departments	,, ,,	14,47,000
		Carried over	87,40,30,000

(a) In consequence of the decision of the Legislative Assembly not to proceed immediately with the scheme for the separation of Railway from General Finance, this amount was altered to R67,71,60,000.

h. e of demands for grants for expenditure of the Central Government for the year 1924-25 submitted for the vote of the Legislative Assembly—*contd.*

Number of demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount.
			R
	Brought forward .		87,40,30 000
	A.—Expenditure from Revenue —*contd.*		
41	Currency	Currency	37,58,000
42	Mint	Mint	13,93,000
43	Civil Works (under the control of the Public Works Department) . . .	Civil Works . . .	1,39,69,000
44	Famine Relief	Famine Relief . . .	14,000
45	Superannuation Allowances and Pensions	Superannuation Allowances and Pensions.	29,00,000
46	Stationery and Printing . . .	Stationery and Printing .	48,38,000
47	Miscellaneous	Miscellaneous . . .	48,22,000
48	Adjustments with Provincial Governments	Miscellaneous Adjustments between Central and Provincial Governments.	22,65,000
49	Refunds		9,76,000
50	North-West Frontier		1,09,38,000
51	Baluchistan		26,14,000
52	Delhi		31,52,000
53	Ajmer and Merwara		14,96,000
54	Andamans and Nicobar Islands .	Distributed over respective heads of account.	39,62,000
55	Rajputana		4,67,000
56	Central India		6,52,000
57	Hyderabad		1,97,000
58	Expenditure in England—Secretary of State for India		23,88,000
59	Expenditure in England—High Commissioner for India . . .	,,	47,39,000
Non-voted	Ecclesiastical, Political, etc. . . .	,,	...
	TOTAL .		93,95,70,000
	B.—Expenditure charged to Capital.		
60	Railways	Construction of State Railways.	29,97,61,000
61	Irrigation	Construction of Irrigation Works.	...
62	Telegraphs	Capital outlay on Telegraphs	1,73,95,000
63	New Capital at Delhi	Initial Expenditure on New Capital at Delhi.	1,42,97,000
	TOTAL .		33,14 53,000
	C.—Disbursements of Loans and Advances.		
64	nterest-free advances		5,90 89,000
65	oans and advances bearing interest .		14,15,26,000
	TOTAL .		20,06,15,000
	GRAND TOTAL .		1,47,16,38,000

Declaration by the Governor-General in Council under section 67-A (7) of the Government of India Act regarding certain demands refused by the Assembly.

In pursuance of section 67-A(7) of the Government of India Act the Governor General in Council is pleased to declare that the following demands which have been refused by the Legislative Assembly are essential to the discharge of his responsibilities, namely—

Number of demand.	Service to which demand relates.	Amount of demand refused by the Legislative Assembly.
		R
1	Customs	71,84,000
2	Taxes on Income	61,32,000
3	Salt	1,06,55,000
4	Opium	2,67,31,000

A. C. McWATTERS,

Secretary to the Government of India.

The 17th March 1924.

THE INDIAN FINANCE BILL.

AS RECOMMENDED TO THE LEGISLATIVE ASSEMBLY ON THE 18TH MARCH 1924.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

VIII of 1894. VI of 1898. X of 1923.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows :—

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1924.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) Sections 2 and 4 shall remain in force only up to the 31st day of March 1925.

Fixation of salt duty.

2. (1) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if with effect from the 1st day of March 1924, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section. XII of 1882.

(2) With effect from the first day of March, 1924, section 2 of the Indian Finance Act, 1923, is hereby repealed.

Amendment of Act VIII of 1894.

3. With effect from the first day of March, 1924, the amendments specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894. VIII of 1894.

Postal rates.

4. With effect from the first day of April, 1924, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. VI of 1898.

Amendment of Act X of 1923.

5. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1924" the figures "1925", shall be substituted. X of 1923.

Income-tax and super-tax.

6. (1) Income-tax for the year beginning on the first day of April, 1924, shall be charged at the rates specified in Part I of the Third Schedule.

(2) The rates of super-tax for the year beginning on the first day of April, 1924, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule. XI of 1922.

(3) For the purposes of the Third Schedule, "total income" means total income as defined in clause (15) of section 2 of the Indian Income-tax Act, 1922. XI of 1922.

SCHEDULE I.

Amendment to be made in Schedule II to the Indian Tariff Act, 1894.

[*See section 3.*]

After Item No. 46, the following items shall be inserted, namely :—

"46A	Undipped SPLINTS such as are ordinarily used for match making.	Pound . . .	Four annas and six pies.
46B	VENEERS such as are ordinarily used for making match boxes, including boxes and parts of boxes made of such veneers.	Pound . . .	Six annas."

SCHEDULE II.

Schedule to be inserted in the Indian Post Office Act, 1898.

(*See section 4.*)

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

(*See section 7.*)

Letters.

For a weight not exceeding two and a half tolas	One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas	One anna.

Postcards.

Single	Half an anna.
Reply	One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof	Half an anna.

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas."

SCHEDULE III.

(*See section 6.*)

PART I.

Rates of Income-tax.

A. In the case of every individual, every unregistered firm and every Hindu undivided family—	
(1) When the total income is less than ₹2,000	*Nil.*
(2) When the total income is ₹2,000 or upwards, but is less than ₹5,000.	Five pies in the rupee.
(3) When the total income is ₹5,000 or upwards, but is less than ₹10,000.	Six pies in the rupee.
(4) When the total income is ₹10,000 or upwards, but is less than ₹20,000.	Nine pies in the rupee.
(5) When the total income is ₹20,000 or upwards, but is less than ₹30,000.	One anna in the rupee.
(6) When the total income is ₹30,000 or upwards, but is less than ₹40,000.	One anna and three pies in the rupee.
(7) When the total income is ₹40,000 or upwards	One anna and six pies in the rupee.
B. In the case of every company, and every registered firm, whatever its total income.	One anna and six pies in the rupee.

PART II.

Rates of Super tax.

In respect of the excess over fifty thousand rupees of total income :—

	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first twenty-five thousand rupees of the excess .	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess.	One anna in the rupee.
(*b*) in the case of every individual and every unregistered firm, for every rupee of the first fifty thousand rupees of such excess.	One anna in the rupee.
(*c*) in the case of every individual, every unregistered firm and every Hindu undivided family—	
(*i*) for every rupee of the second fifty thousand rupees of such excess .	One and a half annas in the rupee
(*ii*) for every rupee of the next fifty thousand rupees of such excess .	Two annas in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess .	Two and a half annas in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess .	Three annas in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess .	Three and a half annas in the rupee
(*vi*) for every rupee of the next fifty thousand rupees of such excess .	Four annas in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess .	Four and a half annas in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess .	Five annas in the rupee
(*ix*) for every rupee of the next fifty thousand rupees of such excess .	Five and a half annas in the rupee.
(*x*) for every rupee of the remainder of the excess	Six annas in the rupee.

RECOMMENDATION BY THE GOVERNOR GENERAL TO THE LEGISLATIVE ASSEMBLY.

In pursuance of the provisions of sub-section (*1*) of section 67-B of the Government of India Act, I, Rufus Daniel, Earl of Reading, do recommend to the Legislative Assembly that it do pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, in the form hereto annexed.

READING,

March 12th, 1924. *Viceroy and Governor General.*

CERTIFICATE BY THE PRESIDENT, LEGISLATIVE ASSEMBLY.

The Legislative Assembly has refused leave to introduce this Bill in the form recommended.

A. F. WHYTE,

The 20th March, 1924. *President.*

THE INDIAN FINANCE BILL.

AS RECOMMENDED TO THE COUNCIL OF STATE ON THE 19TH MARCH, 1924.

[As on pages 76 to 79 *ante*.]

CERTIFICATE BY THE GOVERNOR GENERAL.

WHEREAS the Legislative Assembly has refused leave to introduce a Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898 further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, a copy of which Bill is hereto annexed;

NOW, THEREFORE, I, Rufus Daniel, Earl of Reading, in exercise of the power conferred by sub-section (*1*) of section 67B of the Government of India Act, do hereby certify that the said Bill is essential for the interests of British India.

READING,

The 19th March, 1924. *Viceroy and Governor General.*

RECOMMENDATION BY THE GOVERNOR GENERAL TO THE COUNCIL OF STATE.

In pursuance of the provisions of sub-section (*1*) of section 67-B of the Government of India Act, I, Rufus Daniel, Earl of Reading, do recommend to the Council of State that it do pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, in the form hereto annexed.

READING,

The 19th March, 1924. *Viceroy and Governor General.*

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

Delhi, the 29th March, 1924.

The following Act which has been assented to by the Governor General under the provisions of clause (b) of sub-section (1) of section 67 B of the Government of India Act, and has been expressed to be made by the Governor General under the provisions of sub-section (2) of the same section is hereby published for general information :—

An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows :— VIII of 1894. VI of 1898. X of 1923.

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1924.

(*2*) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(*3*) Sections 2 and 4 shall remain in force only up to the 31st day of March, 1925.

Fixation of salt duty.

2. (*1*) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the first day of March, 1924, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section. XII of 1882.

(*2*) With effect from the first day of March, 1923, section 2 of the Indian Finance Act, 1923, is hereby repealed.

Amendment of Act VIII of 1894.

3. With effect from the first day of March, 1924, the amendments specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894. VIII of 1894.

Postal rates.

4. With effect from first day of April, 1924, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. VI of 1898.

Amendment of Act X of 1923.

5. In sub-section (*7*) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1924" the figures "1925" shall be substituted. X of 1923.

Income-tax and super-tax.

6. (*1*) Income-tax for the year beginning on the first day of April, 1924, shall be charged at the rates specified in Part I of the Third Schedule.

XI of 1922.

(2) The rates of super-tax for the year beginning on the first day of April, 1924, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule.

XI of 1922.

(3) For the purposes of the Third Schedule, "total income" means total income as defined in clause (*15*) of section 2 of the Indian Income-tax Act, 1922.

SCHEDULE I.

Amendment to be made in Schedule II to the Indian Tariff Act, 1894.

[*See section 3.*]

After Item No. 46 the following Items shall be inserted, namely :—

"46A	Undipped SPLINTS such as are ordinarily used for match making.	Pound . . .	Four annas and six pies.
46B	VENEERS such as are ordinarily used for making match boxes, including boxes and parts of boxes made of such veneers.	Pound . . .	Six annas."

SCHEDULE II.

Schedule to be inserted in the Indian Post Office Act, 1898.

[*See section 4.*]

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

[*See section 7.*]

Letters.

For a weight not exceeding two and a half tolas	One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas	One anna.

Postcards

Single	Half an anna.
Reply	One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof	Half an anna.

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas .	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas .	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas .	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas .	Four annas."

SCHEDULE III.

[*See section 6.*]

PART I

Rates of Income-tax.

	Rate.
A. In the case of every individual, every unregistered firm and every Hindu undivided family—	
(1) When the total income is less than Rs. 2,000	*Nil.*
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000	Five pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000	Six pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 20,000	Nine pies in the rupee.
(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000	One anna in the rupee.
(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000	One anna and three pies in the rupee.
(7) When the total income is Rs. 40,000 or upwards	One anna and six pies in the rupee.
B. In the case of every company, and every registered firm, whatever its total income.	One anna and six pies in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over fifty thousand rupees of total income.—

	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family:—	
(*i*) in respect of the first twenty-five thousand rupees of the excess	*Nil*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess	One anna in the rupee.
(*b*) in the case of every individual and every unregistered firm, for every rupee of the first fifty thousand rupees of such excess	One anna in the rupee.
(*c*) in the case of every individual, every unregistered firm and every Hindu undivided family—	
(*i*) for every rupee of the second fifty thousand rupees of such excess	One and a half annas in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess	Two annas in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess	Two and a half annas in the rupee.

(*iv*) for every rupee of the next fifty thousand rupees of such excess	Three annas in the rupee.
(*v*) fer every rupee of the next fifty thousand rupees of such excess	Three and a half annas in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess	Four annas in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess	Four and a half annas in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess	Five annas in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess	Five and a half annas in the rupee.
(*x*) for every rupee of the remainder of the excess . .	Six annas in the rupee.

READING,

Viceroy and Governor General.

The 26th March, 1924.

This Act has been made by me as Governor General under the provisons of section 67B of the Government of India Act.

READING,

Viceroy and Governor General.

The 26th March, 1924.

WHEREAS I, Rufus Daniel, Earl of Reading, am of opinion that a state of emergency exists which justifies a direction by me that the Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax, being an Act made by me under the provisions of section 67B of the Government of India Act, shall come into operation forthwith.

NOW THEREFORE, in exercise of the power conferred by the proviso to sub-section (2) of that section, I do hereby direct accordingly.

READING,

Viceroy and Governor General.

The 26th March, 1924.

H. MONCRIEFF SMITH,

Secretary to the Government of India.

FINANCE DEPARTMENT.

NOTIFICATION.

ACCOUNTS AND FINANCE.
ESTIMATES AND ACCOUNTS.

Delhi, the 28th March 1924.

No. 996-F.—The following Statement is published for general information:—

A Statement by His Excellency the Governor General of the reasons which moved him to pass an order under section 67B of the Government of India Act for certification of the Indian Finance Bill as recommended to the Legislative Assembly and the Council of State.

A. C. McWATTERS,

Secretary to the Government of India.

STATEMENT.

When the Budget for the year 1924-25 was introduced in the Legislative Assembly, the Hon'ble the Finance Member was authorised by me to announce that as our anticipations for the coming year indicated a Budget which would balance on the present basis of taxation and with the salt duty reduced to the former level of Rs. 1-4 per maund, the choice between that rate and any higher rate would be left to the Assembly. At the same time, my Government, with the full concurrence of the Secretary of State for India, made clear their view that a higher rate of salt duty at Rs. 2 per maund would be in the best interests of the country, since it would enable a commencement to be made with the reduction of the Provincial contributions in four Provinces, and would thereby secure increased provision for objects such as Education, Public Health and Industry, the furtherance of which is our anxious concern.

2. When the Demands for Grants under the different heads of expenditure were laid before the Assembly, that House saw fit to reject, without any examination of the expenditure on its merits and for reasons extraneous to the Budget, the Demands for the Customs, Income-tax, Salt, and Opium Departments, four of the main revenue earning Departments of Government. These four demands, on the retention of which the revenue of these important departments necessarily depended, were later on restored by my Government acting in accordance with the powers conferred on them by section 67A (7) of the Government of India Act. The remaining Demands had in the meantime been passed by the Assembly with small reductions under two heads only. When during the next stage of the Budget procedure, the Finance Bill was presented for the consideration of the Assembly, consideration was refused without examination of details, in spite of the fact that the majority of the Demands for expenditure under different departments of Government had actually been accepted by the House.

3. The position which resulted from the action of the Assembly therefore was that when the Finance Bill providing for the means of meeting the expenditure which it had already voted came before the Assembly, the Bill was rejected without consideration. The Finance Bill prescribes the rates at which taxation shall be levied under several of the most important revenue heads, including the salt duty, postage and income-tax, and the legislative sanction given by the Finance Act of the preceding year for the collection of taxation under these heads would have expired on the 31st March 1924. In these circumstances it was my obvious duty, under the special powers conferred upon me by section 67B of the Government of India Act, to take such action as was essential for the interests of British India in order to enable the administration of the country to be carried on and to provide sufficient funds to enable the Government of India's Budget for the coming year to be balanced. It was with this sole object in view that I recommended to the Assembly the Finance Bill in a modified form containing only such provisions as were essential for the purposes above mentioned. The Finance Bill as recommended by me provided for the levy of salt duty at the former rate of Rs. 1-4 per maund, for the existing postal rates and rates of income-tax, for the continuance for a further year of the provision, agreed to by the Legislative Assembly last year, for the credit to general revenues of the interest on the securities held in the Paper Currency Reserve, and for the imposition of a specific duty on certain materials for match manufacture, which is required to safeguard the revenue (exceeding 1½ crores of rupees) derived from the present import duty on matches. Certain items, including proposals to reduce the excise duty and the import duty on motor spirit, to reduce the import duty on certain component parts of cotton-mill machinery and to effect other minor changes in the customs tariff, were omitted from the recommended Bill. These proposals, though of a beneficial character, were not such as I could hold to be essential for the interests of India. This Bill with my recommendation was presented to the Legislative Assembly, but leave to introduce it was refused. It was thereupon laid before the Council of State with a certificate by me that the provisions of the Bill were esssential for the interests of British India and was passed by the Council without amendment. To this Bill as consented to by that Chamber I have signified my assent.

4. It is to me a matter of regret that the Legislative Assembly, to whom important responsibilities are entrusted in voting expenditure to be incurred by Government and in authorising the provision of the necessary funds to meet that expenditure, should have failed on this occasion to consider these important financial matters on their merits. The action which my Government was compelled to take to restore the four grants rejected by the Assembly and that which I have found it necessary to take in exercise of the special power conferred upon me as Governor General, have as their sole object the maintenance of the administration and the provision of the funds necessary for that administration to be carried on.

READING,

Viceroy and Governor General.

The 28th March 1924.

No. 997-F.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

ACCOUNTS AND FINANCE.
ESTIMATES AND ACCOUNTS.

Delhi, the 28th March 1924.

RESOLUTION.

The statements relating to the Revised estimates for 1923-24 and the Budget estimates for 1924-25 which were presented to the Legislative Assembly and the Council of State on the 29th February 1924 have now been revised with reference to the changes made by the Legislative Assembly when voting the demands for grants, the restoration by the Governor General in Council of certain demands refused by the Assembly and the modifications made in the Indian Finance Bill since its introduction in the Assembly on the 1st March 1924. Certain alterations not affecting voted expenditure for 1924-25 have also been made in the estimates in the light of more recent information. The revised statements are now published for general information.

A. C. McWATTERS,

Secretary to the Government of India.

BUDGET

OF THE

GOVERNMENT OF INDIA,

MARCH 1924.

ACCOUNTS 1922-23

REVISED ESTIMATES 1923-24

BUDGET ESTIMATES 1924-25

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I.--General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement	Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		Rs.	Rs.	Rs.	Rs.
Revenue—					
Principal Heads of Revenue—					
Customs	A	41,34,65,362	45,09,41,000	40,41,53,000	45,01,82,000
Taxes on Income	,,	17,99,41,150	19,04,64,000	19,07,45,000	18,21,97,000
Salt	,,	6,82,46,112	11,75,00,000	8,70,27,000	9,04,62,000
Opium	,,	3,78,92,068	3,93,12,000	4,30,64,000	4,33,60,000
Other Heads	,,	2,34,00,268	2,44,97,000	2,34,27,000	2,22,32,000
TOTAL PRINCIPAL HEADS		72,29,44,960	82,27,14,000	74,84,16,000	78,84,33,000
Railways : Net Receipts	,,	26,82,98,476	31,76,58,000	32,37,87,000	29,74,93,000
Irrigation : Net Receipts	,,	10,90,752	10,83,000	11,20,000	12,47,000
Posts and Telegraphs : Net Receipts	,,	1,22,29,448	2,08,32,000	84,94,000	1,07,41,000
Interest Receipts	,,	1,15,70,696	2,50,96,000	3,24,25,000	3,17,25,000
Civil Administration	,,	44,34,528	62,08,000	67,49,000	72,01,000
Currency, Mint and Exchange	,,	3,62,03,131	2,69,26,000	3,07,68,000	3,63,86,000
Civil Works	,,	14,38,067	10,69,000	13,19,000	12,36,000
Miscellaneous	,,	62,46,625	48,34,000	3,23,44,000	67,48,000
Military Receipts	,,	5,73,78,865	3,04,87,000	4,19,53,000	2,75,16,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments	,,	9,22,93,608	9,21,36,000	9,22,29,000	9,22,11,000
TOTAL REVENUE		1,21,41,29,156	1,34,90,43,000	1,31,96,04,000	1,30,09,37,000
DEFICIT		15,01,76,392	...	...	...
TOTAL		1,36,43,05,548	1,34,90,43,000	1,31,96,04,000	1,30,09,37,000

DELHI,
FINANCE DEPARTMENT,
The 28th March 1924.

M. F. GAUNTLETT,
Auditor General.

Revenue of the Central Government in India and in England.

	For details, *vide* Statement.	Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		Rs.	Rs.	Rs.	Rs.
Expenditure—					
Direct Demands on the Revenues	B	5,22,04,980	5,37,22,000	5,60,92,000	5,54,12,000
Railways : Interest and Miscellaneous Charges	,,	25,60,99,247	27,91,32,000	26,09,87,000	25,16,79,000
Irrigation	,,	13,75,391	14,20,000	16,51,000	22,85,000
Posts and Telegraphs	,,	76,96,536	53,35,000	12,62,000	—11,00,000
Debt Services	,,	16,15,89,540	17,21,57,000	16,74,88,000	18,32,51,000
Civil Administration	,,	9,94,32,040	9,78,29,000	9,57,10,000	9,80,23,000
Currency, Mint and Exchange	,,	1,03,09,731	1,13,11,000	1,05,32,000	77,31,000
Civil Works	,,	1,34,81,040	1,76,63,000	1,61,11,000	2,06,50,000
Miscellaneous	,,	5,20,56,088	5,15,39,000	4,80,13,000	4,88,73,000
Military Services	,,	71,00,58,955	65,04,87,000	63,93,72,000	63,09,16,000
Miscellaneous adjustments between the Central and Provincial Governments	,,	...	3,62,000	17,79,000	22,65,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,36,43,05,548	1,34,09,57,000	1,29,89,97,000	1,29,90,90,000
SURPLUS		...	80,86,000	2,06,07,000	18,47,000
TOTAL		1,36,43,05,548	1,34,90,43,000	1,31,96,04,000	1,30,09,37,000

A. V. V. AIYAR,
Offg. Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts. Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		Rs.	Rs.	Rs.	Rs.
Surplus	C	...	80,86,000	2,06,07,000	18,47,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards construction of State Railways	,,	28,26,557	4,51,26,000	...	80,24,000
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	,,	66,22,99,053	33,15,56,000	37,21,89,000	36,85,62,000
Floating Debt (net incurred)	,,	...	...	...	...
Unfunded Debt (net incurred)	,,	2,96,51,483	5,01,85,000	10,52,36,000	7,51,45,000
Deposits and Advances (net)	,,	17,82,38,542	11,42,69,000	4,89,88,000	15,42,67,000
Loans and Advances by Central Government (net Repayments)	,,	20,42,338	6,67,000	20,44,000	6,70,000
Remittances (net)	,,	37,92,494	...	...	1,38,000
Balances of Provincial Governments (net)	,,	6,34,730	...	5,03,81,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES	...	87,66,58,640	49,66,77,000	57,88,38,000	59,87,82,000
TOTAL RECEIPTS	...	87,94,85,197	54,98,89,000	59,94,45,000	60,86,53,000
Opening Balance—India	...	25,66,13,170	23,89,58,170	25,95,80,424	23,77,01,424
England	...	8,99,53,817	7,41,81,817	9,82,19,688	7,63,05,688
TOTAL	...	1,22,60,52,184	86,30,28,987	95,72,45,112	98,26,60,112

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT,
The 28th March 1924.

Central Government, in India and in England.

	For details, *vide* Statement	Disbursements. Accounts, 1922-23.	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
		Rs.	Rs.	Rs.	Rs.
Deficit.	C	15,01,76,392	...	...	...
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—					
Construction of State Railways	,,	18,43,42,305	38,63,95,000	23,60,64,000	30,00,00,000
Capital outlay on Indian Postal and Telegraph Department	,,	65,62,006	94,30,000	96,65,000	1,73,95,000
Construction of Irrigation Works	,,	2,25,219	22,000	7,000	...
Initial expenditure on new Capital at Delhi	,,	1,84,79,432	1,97,00,000	1,82,00,000	1,47,00,000
Payments for discharge of Debentures (net)	,,	63,34,021	4,51,26,000	1,04,07,000	1,44,86,000
Redemption of Liabilities involved in the purchase of Railways	,,	...	...	...	27,07,03,000
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	21,59,42,983	46,06,73,000	27,43,43,000	61,72,84,000
Debt, Deposits and Advances.					
Permanent Debt (net discharged)	C	...	...	...	...
Floating Debt (net discharged)	,,	40,61,80,000	5,50,00,000	19,46,00,000	2,13,00,000
Deposits and Advances (net)	,,	...	...	...	...
Loans and Advances by Central Government (net Advances)	,,	...	..	...	...
Loans between Central and Provincial Governments (net Advances)	,,	9,59,52,697	13,46,77,000	11,32,26,000	12,72,62,000
Remittances (net)	,,	...	80,15,000	10,69,000	...
Balances of Provincial Governments (net)	,,	...	1,20,12,000	...	3,00,23,000
TOTAL DEBT, DEPOSITS AND ADVANCES	...	50,21,32,697	20,97,04,000	30,88,95,000	17,85,85,000
TOTAL DISBURSEMENTS	...	86,82,52,072	67,03,77,000	58,32,38,000	79,58,69,000
Closing Balance—India	...	25,95,89,424	14,76,21,170	29,77,01,424	13,87,33,424
England	..	9,82,19,688	4,50,30,817	7,63,05,688	4,80,54,688
TOTAL	...	1,22,60,52,184	86,30,28,987	95,72,45,112	98,26,60,112

A. V. V. AIYAR,
Offg. Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

A.—Statement of the Revenue of the

Heads of Revenue.	Accounts, 1922-23.				Item Number.
	India.	* England.	Exchange.	Total.	
Principal Heads of Revenue—	Rs.	Rs.	Rs.	Rs.	
I.—Customs	41,34,65,362	...	...	41,34,65,362	1
II.—Taxes on Income	17,99,41,150	...	...	17,99,41,150	2
III.—Salt	6,82,46,112	...	...	6,82,46,112	3
IV.—Opium	3,78,92,068	...	...	3,78,92,068	4
V.—Land Revenue	42,93,120	...	...	42,93,120	5
VI.—Excise	51,68,531	...	...	51,68,531	6
VII.—Stamps—					
A.—Non-judicial	8,34,195	...	...	8,34,195	7
B.—Judicial	16,76,196	...	...	16,76,196	8
VIII.—Forest	25,23,572	...	...	25,28,572	9
IX.—Registration	1,49,431	...	...	1,49,431	10
X.—Tributes from Indian States	87,50,223	...	...	87,50,223	11
Total	72,29,44,960	...	...	72,29,44,960	12
Railways—					
XI.—State Railways—					
Gross Receipts	93,14,77,517	4,83,362	2,53,339	93,22,14,218	13
Deduct—Working Expenses	*65,96,16,125*	...	...	*65,96,16,125*	14
Surplus Profits paid to Companies	*69,40,501*	...	...	*69,40,501*	15
Net Receipts	26,49,20,891	4,83,362	2,53,339	26,56,57,592	16
XII.—Subsidised Companies	7,82,523	11,95,423	6,62,938	26,40,884	17
Total	26,57,03,414	16,78,785	9,16,277	26,82,98,476	18
Irrigation, etc.—					
XIII.—Works for which Capital accounts are kept	10,84,943	...	...	10,84,943	19
XIV.—Works for which no Capital accounts are kept	5,809	...	...	5,809	20
Total	10,90,752	...	...	10,90,752	21
Posts and Telegraphs—					
XV.—Gross Receipts	9,89,26,681	15,72,538	8,15,058	10,13,14,477	22
Deduct—Working Expenses	*8,85,89,711*	*3,23,517*	*1,71,801*	*8,90,85,029*	23
Net Receipts	1,03,37,170	12,49,021	6,43,257	1,22,29,448	24
Interest Receipts—					
XVI.—Interest	89,34,027	17,40,666	8,96,003	1,15,70,696	25
Carried over	1,00,90,10,323	46,68,472	24,55,537	1,01,61,34,332	

* Sterling converted into Rupees at £1 = Rs. 10.

Item Number.	Revised Estimate, 1923-24.			
	India.	England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
1	40,41,53,000	...	...	40,41,53,000
2	19,07,45,000	...	...	19,07,45,000
3	8,70,27,000	...	...	8,70,27,000
4	4,30,64,000	...	...	4,30,64,000
5	44,68,000	...	...	44,68,000
6	48,87,000	...	...	48,87,000
7	8,99,000	...	...	8,99,000
8	18,72,000	...	...	18,72,000
9	24,26,000	...	...	24,26,000
10	1,49,000	...	...	1,49,000
11	87,26,000	...	...	87,26,000
12	74,84,16,000	...	...	74,84,16,000
13	94,15,00,000	4,83,000	2,19,000	94,22,02,000
14	*60,96,00,000*	...	...	*60,96,00,000*
15	*1,11,42,000*	...	...	*1,11,42,000*
16	32,07,58,000	4,83,000	2,19,000	32,14,60,000
17	5,16,000	12,45,000	5,66,000	23,27,000
18	32,12,74,000	17,28,000	7,85,000	32,37,87,000
19	11,91,000	—65,000	—29,000	(a) 10,97,000
20	23,000	...	...	23,000
21	12,14,000	—65,000	—29,000	11,20,000
22	10,12,24,000	16,00,000	7,27,000	10,35,51,000
23	*9,21,84,000*	*19,75,000*	*8,98,000*	*9,50,57,000*
24	90,40,000	—3,75,000	—1,71,000	84,94,000
25	85,09,000	1,64,42,000	74,74,000	3,24,25,000
	1,08,84,53,000	1,77,30,000	80,59,000	1,11,42,42,000

(a) Represents net receipts after deduction of £ R10,40,000 on account of working expenses.

Increase (+) Decrease (—) as compared with Budget Estimate, 1923-24.	Budget Estimate, 1924-25. India.	* England.	Exchange.	Item Number.
Rs.	Rs.	Rs.	Rs.	
—4,67,88,000	45,01,82,000	...	...	1
+2,81,000	18,21,97,000	...	...	2
—3,04,73,000	9,04,62,000	...	...	3
+37,52,000	4,33,60,000	...	...	4
+74,000	39,62,000	...	...	5
—3,71,000	45,53,000	...	...	6
—67,000	9,05,000	...	...	7
+2,57,000	18,22,000	...	...	8
—10,31,000	21,96,000	...	...	9
—13,000	1,43,000	...	...	10
+81,000	86,51,000	...	...	11
—7,42,98,000	78,84,33,000	...	...	12
—1,35,22,000	97,00,00,000	4,83,000	2,09,000	13
+2,05,50,000	*66,43,04,000*	...	...	14
—12,65,000	*1,14,87,000*	...	...	15
+57,63,000	29,42,09,000	4,83,000	2,09,000	16
+3,66,000	4,93,000	14,65,000	6,34,000	17
+61,29,000	29,47,02,000	19,48,000	8,43,000	18
+18,000	13,30,000	—64,000	—27,000	19
+19,000	8,000	...	...	20
+37,000	13,38,000	—64,000	—27,000	21
—36,32,000	10,48,79,000	8,20,000	3,55,000	22
—87,06,000	*9,31,88,000*	*14,83,000*	*6,42,000*	23
—1,23,38,000	1,16,91,000	—6,63,000	—2,87,000	24
+73,29,000	93,60,000	1,56,09,000	67,56,000	25
—7,31,41,000	110,55,24,000	1,68,30,000	72,85,000	

* Sterling converted into Rupees at £1 = Rs. 10.

Central Government, in India and in England.

Item Number.	Budget Estimate, 1924-25. Total.	Increase (+) Decrease (—) as compared with Budget, 1923-24.	Increase (+) Decrease (—) as compared with Revised, 1923-24.	Heads of Revenue.
	Rs.	Rs.	Rs.	**Principal Heads of Revenue—**
1	45,01,82,000	—7,59,000	+4,60,29,000	I.—Customs.
2	18,21,97,000	—82,67,000	—35,48,000	II.—Taxes on Income.
3	9,04,62,000	—2,70,38,000	+34,35,000	III.—Salt.
4	4,33,60,000	+40,48,000	+2,96,000	IV.—Opium.
5	39,62,000	—4,32,000	—5,06,000	V.—Land Revenue.
6	45,53,000	—7,05,000	—3,34,000	VI.—Excise.
				VII.—Stamps—
7	9,05,000	—61,000	+6,000	A.—Non-judicial.
8	18,22,000	+2,07,000	—50,000	B.—Judicial.
9	21,96,000	—12,61,000	—2,30,000	VIII.—Forest.
10	1,43,000	—19,000	—3,000	IX.—Registration.
11	86,51,000	+6,000	—75,000	X.—Tributes from Indian States.
12	78,84,33,000	—3,42,81,000	+4,00,17,000	Total.
				Railways—
13	97,06,92,000 (a)	+1,49,68,000	+2,84,90,000	XI.—State Railways— Gross Receipts.
14	*66,43,04,000* (b)	—3,41,54,000	—5,47,04,000	*Deduct*—Working Expenses.
15	*1,14,87,000*	—16,10,000	—3,45,000	Surplus Profits paid to Companies.
16	29,49,01,000	—2,07,96,000	—2,65,59,000	Net Receipts.
17	25,92,000	+6,31,000	+2,65,000	XII.—Subsidised Companies.
18	29,74,93,000	—2,01,65,000	—2,62,94,000	Total.
				Irrigation, etc.—
19	12,39,000 (c)	+1,60,000	+1,42,000	XIII.—Works for which Capital accounts are kept.
20	8,000	+4,000	—15,000	XIV.—Works for which no Capital accounts are kept.
21	12,47,000	+1,64,000	+1,27,000	Total.
				Posts and Telegraphs—
22	10,60,54,000 (d)	—11,29,000	+25,03,000	XV.—Gross Receipts.
23	*9,53,13,000*	—89,62,000	—2,56,000	*Deduct*—Working Expense
24	1,07,41,000	—1,00,91,000	+22,47,000	Net Receipts.
				Interest Receipts—
25	3,17,25,000	+66,29,000	—7,00,000	XVI.—Interest.
	1,12,96,39,000	—5,77,44,000	+1,53,97,000	Carried over.

(a) Of this amount, R39,27,000 is non-voted and the balance of R66,03,77,000 is voted.
(b) The whole of this amount is voted.
(c) Represents net receipts after deduction of R9,69,000 on account of working expenses of which R1,60,000 is non-voted and the balance of R8,09,000 is voted.
(d) Of this amount, R20,65,000 is non-voted and the balance of R9,32,48,000 is voted.

A.—Statement of the Revenue of the Central

Heads of Revenue.	Accounts, 1922-23. India.	England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward	1,00,90,10,323	46,68,472	24,55,537	1,01,61,34,332	
Civil Administration—					
XVII.—Administration of Justice	3,56,160	...	...	3,56,160	1
XVIII.—Jails and Convict Settlements	7,74,790	...	...	7,74,790	2
XIX.—Police	—10,40,488	...	...	—10,40,488	3
XX.—Ports and Pilotage	21,24,104	...	...	21,24,104	4
XXI.—Education	1,24,778	...	...	1,24,778	5
XXII.—Medical	63,755	686	384	64,825	6
XXIII.—Public Health	1,32,471	...	...	1,32,471	7
XXIV.—Agriculture	5,68,611	...	...	5,68,611	8
XXV.—Industries	2,020	...	...	2,020	9
XXVI.—Miscellaneous Departments	13,27,257	...	...	13,27,257	10
Total	44,33,458	686	384	44,34,528	11
Currency, Mint and Exchange—					
XXVII.—Currency	3,12,08,339	14,70,102	8,30,279	3,35,08720	12
XXVIII.—Mint	26,94,063	228	120	26,94,411	13
Total	3,39,02,402	14,70,330	8,30,399	3,62,03,131	14
Civil Works—					
XXX.—Civil Works	14,38,067	...	...	14,38,067	15
Miscellaneous—					
XXXIII.—Receipts in aid of Superannuation	22,93,609	3,64,898	1,92,002	28,50,509	16
XXXIV.—Stationery and Printing	17,01,574	11,204	6,353	17,19,131	17
XXXV.—Miscellaneous	5,88,047	7,03,508	3,85,430	16,76,985	18
Total	45,83,230	10,79,610	5,83,785	62,46,625	19
Carried over	1,05,33,67,480	72,19,098	38,70,105	1,06,44,56,683	

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1923-24.			
	India.	England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
	1,08,84,53,000	1,77,30,000	80,59,000	1,11,42,42,000
1	4,29,000	...	...	4,29,000
2	7,91,000	...	...	7,91,000
3	1,20,000	...	...	1,20,000
4	21,44,000	...	...	21,44,000
5	1,39,000	...	...	1,39,000
6	1,14,000	...	...	1,14,000
7	70,000	...	...	70,000
8	9,22,000	...	...	9,22,000
9	1,000	...	...	1,000
10	20,19,000	...	...	20,19,000
11	67,49,000	...	...	67,49,000
12	2,73,37,000	14,57,000	6,63,000	2,94,57,000
13	13,10,000	1,000	...	13,11,000
14	2,86,47,000	14,58,000	6,63,000	3,07,68,000
15	13,19,000	...	...	13,19,000
16	20,04,000	3,60,000	1,64,000	25,28,000
17	13,70,000	7,000	3,000	13,80,000
18	—1,28,000	1,96,38,000	89,26,000	2,84,36,000
19	32,46,000	2,00,05,000	90,93,000	3,23,44,000
	1,12,84,14,000	3,91,93,000	1,78,15,000	1,18,54,22,000

Increase (+) Decrease (—) as compared with Budget Estimate, 1923-24.	Budget Estimate, 1924-25.			Item Number.
	India.	*England.	Exchange.	
Rs.	Rs.	Rs.	Rs.	
—7,31,41,000	1,10,55,24,000	1,68,30,000	72,85,000	
+45,000	4,47,000	...	...	1
—1,18,000	7,84,000	...	...	2
—44,000	98,000	...	...	3
—3,07,000	22,49,000	...	...	4
+6,000	1,30,000	...	...	5
+7,000	1,09,000	...	...	6
—52,000	80,000	...	..	7
+4,21,000	10,30,000	...	...	8
+1,000	...	...	...	9
+5,82,000	22,74,000	...	...	10
+5,41,000	72,01,000	...	...	11
+30,22,000	2,97,41,000	34,88,000	15,10,000	12
+8,20,000	16,46,000	1,000	...	13
+38,42,000	3,13,87,000	34,89,000	15,10,000	14
+2,50,000	12,36,000	...	...	15
+6,000	19,76,000	3,48,000	1,51,000	16
+2,03,000	8,53,000	7,000	3,000	17
+2,73,01,000	5,03,000	20,29,000	8,78,000	18
+2,75,10,000	33,32,000	23,84,000	10,32,000	19
—4,09,98,000	1,14,86,80,000	2,27,03,000	98,27,000	

*Sterling converted into Rupees at £1=Rs. 10.

Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1924-25. Total.	Increase (+) Decrease (−) as compared with Budget, 1923-24.	Increase (+) Decrease (−) as compared with Revised, 1923-24.	Heads of Revenue.
	Rs.	Rs.	Rs.	
	1,12,96,89,000	−5,77,44,000	+1,53,97,000	Brought forward.
				Civil Administration—
1	4,47,000	+63,000	+18,000	XVII.—Administration of Justice.
2	7,84,000	−1,25,000	−7,000	XVIII.—Jails and Convict Settlements.
3	98,000	−66,000	−22,000	XIX.—Police.
4	22,49,000	−2,02,000	+1,05,000	XX.—Ports and Pilotage.
5	1,30,000	−3,000	−9,000	XXI.—Education.
6	1,09,000	+2,000	−5,000	XXII.—Medical.
7	80,000	−42,000	+10,000	XXIII.—Public Health.
8	10,30,000	+5,29,000	+1,08,000	XXIV.—Agriculture.
9	...	...	−1,000	XXV.—Industries.
10	22,74,000	+8,37,000	+2,55,000	XXVI.—Miscellaneous Departments.
11	72,01,000	+9,93,000	+4,52,000	Total.
				Currency, Mint and Exchange—
12	3,47,39,000	+83,04,000	+52,82,000	XXVII.—Currency.
13	16,47,000	+11,56,000	+3,36,000	XXVIII.—Mint.
14	3,63,86,000	+94,60,000	+56,18,000	Total.
				Civil Works—
15	12,36,000	+1,67,000	−83,000	XXX.—Civil Works.
				Miscellaneous—
16	24,75,000	−47,000	−53,000	XXXIII.—Receipts in aid of Superannuation.
17	8,63,000	−3,14,000	−5,17,000	XXXIV.—Stationery and Printing.
18	34,10,000	+22,75,000	−2,50,26,000	XXXV.—Miscellaneous.
19	67,48,000	+19,14,000	−2,55,96,000	Total.
	1,13,12,10,000	−4,52,10,000	−42,12,000	Carried over.

A.—Statement of the Revenue of the Central

Heads of Revenue.	Accounts, 1922-23. India	* England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward .	1,05,33,67,480	72,19,098	38,70,105	1,06,44,56,683	
Military Receipts—					
XXXVI.—Army—					
Effective .	3,36,22,667	74,81,527	38,67,726	4,49,71,920	20
Non-effective	10,85,290	15,25,970	7,89,713	34,00,973	21
	3,47,07,957	90,07,497	46,57,439	4,83,72,893	22
XXXVII.—Marine . .	32,72,538	...	...	32,72,538	23
XXXVIII.—Military Works	57,33,434	...	...	57,33,434	24
Total .	4,37,13,929	90,07,497	46,57,439	5,73,78,865	25
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—					
XXXIX.—Contributions and Assignments to the Central Government by Provincial Governments .	9,20,00,000	...	...	9,20,00,000	26
XL.—Miscellaneous adjustments between the Central and Provincial Governments .	2,93,608	...	...	2,93,608	27
Total .	9,22,93,608	...	...	9,22,93,608	28
TOTAL REVENUE .	1,18,93,75,017	1,62,26,595	85,27,544	1,21,41,29,156	29

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1923-24.			
	India.	England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
	1,12,84,14,000	3,91,93,000	1,78,15,000	1,18,54,22,000
20	2,36,13,000	38,20,000	17,37,000	2,91,70,000
21	9,98,000	12,12,000	5,51,000	27,61,000
22	2,46,11,000	50,32,000	22,88,000	3,19,31,000
23	29,99,000	...	...	29,99,000
24	70,23,000	...	...	70,23,000
25	3,46,33,000	50,32,000	22,88,000	4,19,53,000
26	9,20,00,000	...	...	9,20,00,000
27	2,29,000	...	...	2,29,000
28	9,22,29,000	...	...	9,22,29,000
29	1,25,52,76,000	4,42,25,000	2,01,03,000	1,31,96,04,000

Increase (+) Decrease (−) as compared with Budget Estimate, 1923-24.	Budget Estimate, 1924-25			Item Number.
	India.	*England.	Exchange.	
Rs.	Rs.	Rs.	Rs.	
−4,09,98,000	1,14,86,80,000	2,27,03,000	98,27,000	
+52,32,000	1,62,70,000	35,85,000	15,51,000	20
−30,000	9,77,000	10,85,000	4,70,000	21
+52,02,000	1,72,47,000	46,70,000	20,21,000	22
+8,70,000	14,92,000	...	...	23
+53,94,000	20,86,000	...	...	24
+1,14,66,000	2,08,25,000	46,70,000	20,21,000	25
...	9,20,12,000	...	...	26
+93,000	1,99,000	...	...	27
+93,000	9,22,11,000	...	...	28
−2,94,39,000	1,26,17,16,000	2,73,73,000	1,18,48,000	29

*Sterling converted into Rupees at £1 = Rs. 10.

Government, in India and in England—*concld.*

Item Number.	Budget Estimate, 1924-25. Total.	Increase (+) Decrease (−) as compared with Budget, 1923-24.	Increase (+) Decrease (−) as compared with Revised, 1923-24.	Heads of Revenue.
	Rs.	Rs.	Rs.	
	1,18,12,10,000	−4,52,10,000	−42,12,000	Brought forward.
				Military Receipts—
				XXXVI.—Army—
20	2,14,06,000	−25,32,000	−77,64,000	Effective.
21	25,32,000	−2,59,000	−2,29,000	Non-effective.
22	2,39,38,000	−27,91,000	−79,93,000	
23	14,92,000	−6,37,000	−15,07,000	XXXVII.—Marine.
24	20,86,000	+4,57,000	−49,37,000	XXXVIII.—Military Works.
25	2,75,16,000	−29,71,000	−1,44,37,000	Total.
				Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—
26	9,20,12,000	+12,000	+12,000	XXXIX.—Contributions and Assignments to the Central Government by Provincial Governments.
27	1,99,000	+63,000	−30,000	XL.—Miscellaneous adjustments between the Central and Provincial Governments.
28	9,22,11,000	+75,000	−18,000	Total.
29	1,30,09,37,000	−4,81,06,000	−1,86,67,000	TOTAL REVENUE

B.—Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1922-23. India.	England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenues—					
1.—Customs	69,30,458	86,613	44,929	70,62,000	1
2.—Taxes on Income	43,94,778	40,095	21,263	44,56,136	2
3.—Salt	1,50,47,654	57,471	31,022	1,51,36,147	3
4.—Opium	1,86,01,903	38,462	20,278	1,86,60,643	4
5.—Land Revenue	12,96,050	26,867	14,184	13,37,101	5
6.—Excise	2,52,633	13,095	6,808	2,72,536	6
7.—Stamps—					
A.—Non-judicial	—14,07,464	18,24,757	9,25,034	13,42,327	7
B.—Judicial					8
8.—Forests	31,09,100	5,18,302	2,70,045	38,97,447	9
9.—Registration	40,643	...	...	40,643	10
Total	4,82,65,755	26,05,662	13,33,563	5,22,04,980	11
Railway Revenue Account—					
10.—State Railways :—					
Interest on Debt	9,83,68,192	4,24,28,620	2,26,50,537	16,34,47,349	12
Interest on Capital contributed by Companies	3,88,034	2,18,52,849	1,13,14,729	3,35,55,612	13
Annuities in purchase of Railways	...	3,35,77,160	1,77,62,227	5,13,39,387	14
Sinking Funds	...	30,73,515	16,40,322	47,13,837	15
11.—Subsidised Companies	9,43,460	...	...	9,43,460	16
12.—Miscellaneous Railway Expenditure	—2,60,196	15,38,463	8,21,335	20,99,602	17
Total	9,94,39,490	10,24,70,607	5,41,89,150	25,60,99,247	18
Irrigation, etc., Revenue Account—					
14.—Works for which Capital accounts are kept—					
Interest on Debt	12,18,882	...	...	12,18,882	19
15.—Other Revenue Expenditure	98,601	18,247	9,534	1,26,382	20
Total	13,17,483	18,247	9,534	13,45,264	21
Carried over	14,90,22,728	10,50,94,516	5,55,32,247	30,96,49,491	

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1923-24.				
	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1923-24.
	Rs.	Rs.	Rs.	Rs.	Rs.
1	69,94,000	1,37,000	62,000	71,93,000	—57,000
2	64,46,000	36,000	16,000	64,98,000	+1,19,000
3	1,41,86,000	54,000	25,000	1,42,65,000	—11,85,000
4	2,57,43,000	69,000	31,000	2,58,43,000	+70,12,000
5	11,09,000	51,000	23,000	11,83,000	+17,000
6	2,30,000	10,000	5,000	2,45,000	—26,000
7	—39,81,000	3,20,000	1,45,000	—35,16,000	—31,96,000
8	3,20,000	...	...	3,20,000	+2,77,000
9	32,71,000	5,18,000	2,36,000	40,25,000	—5,85,000
10	36,000	...	...	36,000	—6,000
11	5,43,54,000	11,95,000	5,43,000	5,60,92,000	+23,70,000
12	11,05,44,000	4,34,87,000	1,97,67,000	17,37,98,000	—1,39,92,000
13	4,30,000	2,11,40,000	96,09,000	3,11,79,000	—10,51,000
14	...	3,35,75,000	1,52,61,000	4,88,36,000	—15,26,000
15	...	32,73,000	14,88,000	47,61,000	—1,49,000
16	7,41,000	...	...	7,41,000	—18,49,000
17	—5,97,000	15,60,000	7,09,000	16,72,000	+4,22,000
18	11,11,18,000	10,30,35,000	4,68,34,000	26,09,87,000	—1,81,45,000
19	12,33,000	...	...	12,33,000	+1,45,000
20	2,08,000	34,000	16,000	2,58,000	+1,42,000
21	14,41,000	34,000	16,000	14,91,000	+2,87,000
	16,69,13,000	10,42,64,000	4,73,93,000	31,85,70,000	—1,54,88,000

BUDGET ESTIMATE, 1924-25.				Item Number.
India.	* England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	
80,37,000	1,30,000	56,000	82,23,000	1
64,53,000	46,000	20,000	65,19,000	2
1,44,46,000	62,000	27,000	1,45,35,000	3
2,08,01,000	75,000	32,000	2,09,08,000	4
12,78,000	41,000	18,000	13,37,000	5
2,36,000	21,000	9,000	2,66,000	6
—8,12,000	5,00,000	2,16,000	—96,000	7
2,69,000	...	...	2,69,000	8
28,95,000	3,62,000	1,57,000	34,14,000	9
37,000	...	...	37,000	10
5,36,40,000	12,37,000	5,35,000	5,54,12,000	11
12,41,63,000	4,59,97,000	1,99,09,000	19,00,69,000	12
4,70,000	1,92,20,000	83,19,000	2,80,09,000	13
...	2,07,67,000	89,89,000	(a)2,97,56,000	14
...	...	...	(b)...	15
16,00,000	...	...	16,00,000	16
—4,11,000	18,54,000	8,02,000	22,45,000	17
12,58,23,000	8,78,38,000	3,80,19,000	25,16,79,000	18
12,41,000	...	...	12,41,000	19
8,76,000	33,000	14,000	9,23,000	20
21,17,000	33,000	14,000	21,64,000	21
18,15,79,000	8,91,08,000	3,85,68,000	30,92,55,000	

* Sterling converted into Rupees at £1=Rs. 10.

(a) Represents only the interest portion of the annuities, the capital portion being included under the head "21—Reduction or Avoidance of Debt."

(b) Included under "21—Reduction or Avoidance of Debt."

of the Central Government, in India and in England.

Item Number.	Budget Estimate, 1924-25. Increase (+) Decrease (—) as compared with Budget, 1923-24.	Increase (+) Decrease (—) as compared with Revised, 1923-24.	Distribution of Total between Voted	Non-voted.	Heads of Expenditure.
	Rs.	Rs.	Rs.	Rs.	**Direct Demands on the Revenues—**
1	+2,73,000	+10,30,000	72,64,000	9,59,000	1.—Customs.
2	+1,40,000	+21,000	61,48,000	3,71,000	2.—Taxes on Income.
3	—9,15,000	+2,70,000	1,06,92,000	38,43,000	3.—Salt.
4	+20,77,000	—49,35,000	2,08,02,000	1,06,000	4.—Opium.
5	+1,71,000	+1,54,000	12,15,000	1,22,000	5.—Land Revenue.
6	—5,000	+21,000	1,57,000	1,09,000	6.—Excise.
7	+2,24,000	+34,20,000	1,55,000	18,000	7.—Stamps— A.—Non-judicial.
8	+2,26,000	—51,000			B.—Judicial.
9	—11,96,000	—6,11,000	(a)28,32,000	5,82,000	8.—Forests.
10	—5,000	+1,000	33,000	4,000	9.—Registration.
11	+16,90,000	—6,80,000	4,92,98,000	61,14,000	Total
					Railway Revenue Account—
12	+22,79,000	+1,62,71,000	...	19,00,69,000	10.—State Railways— Interest on Debt.
13	—42,21,000	—31,70,000	...	2,80,09,000	Interest on Capital contributed by Companies.
14	—2,06,06,000	—1,90,80,000	...	2,97,56,000	Annuities in purchase of Railways.
15	—49,10,000	—47,61,000	...	...	Sinking Funds.
16	—9,90,000	+8,59,000	16,00,000	...	11.—Subsidised Companies.
17	+9,95,000	+5,73,000	11,96,000	10,49,000	12.—Miscellaneous Railway Expenditure.
18	—2,74,53,000	—93,08,000	27,96,000	24,88,83,000	Total
					Irrigation, etc., Revenue Accounts—
					14.—Works for which Capital accounts are kept—
19	+1,53,000	+8,000	...	12,41,000	Interest on Debt.
20	+8,07,000	+6,65,000	8,72,000	51,000	15.—Other Revenue Expenditure.
21	+9,60,000	+6,73,000	8,72,000	12,92,000	Total
	—2,48,03,0000	—93,15,000	5,29,66,000	25,62,89,000	Carried over

(a) This amount, like other figures in this statement, is given in round thousands of Rupees. The amount actually voted by the Assembly is R100 less.

B.—Statement of the Expenditure charged to the Revenues.

Heads of Expenditure.	Accounts, 1922-23. India.	England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward	14,90,22,728	10,50,94,516	5,55,32,247	30,96,49,491	
Irrigation, etc., Capital Account (charged to Revenue)—					
16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues	30,127	...	...	30,127	22
Posts and Telegraphs Revenue Account—					
17.—Posts and Telegraphs—Interest on Debt	59,16,002	...	...	59,16,002	23
Posts and Telegraphs Capital Account (charged to Revenue)—					
18.—Capital outlay on Posts and Telegraphs—					
Indian Postal and Telegraph Department.	—36,73,788	38,14,852	20,37,524	21,78,588	24
Indo-European Telegraph Department.	—5,87,360	1,26,414	64,892	—3,96,054	25
Total	—42,61,148	39,41,266	21,02,416	17,82,534	26
Debt Services—					
19.—Interest on Ordinary Debt	17,66,53,811	8,65,97,278	4,55,69,437	30,88,20,526	27
Deduct—Amount chargeable to—					
Railways	*9,83,68,192*	*4,24,28,620*	*2,26,50,537*	*16,34,47,349*	28
Irrigation	*12,18,882*	...	...	*12,18,882*	29
Posts and Telegraphs	*59,16,002*	...	...	*59,16,002*	30
Provincial Governments	*3,02,00,692*	...	...	*3,02,00,692*	31
Remainder chargeable to Ordinary Debt	4,09,50,043	4,41,68,658	2,29,18,900	10,80,37,601	32
20.—Interest on other Obligations	3,06,19,037	51,360	25,231	3,06,95,628	33
21.—Reduction or Avoidance of Debt	1,54,00,000	50,00,000	24,56,311	2,28,56,311	34
Total	8,69,69,080	4,92,20,018	2,54,00,442	16,15,89,540	35
Carried over	23,76,76,789	15,82,55,800	8,30,35,105	47,89,67,694	36

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1923-24.				Increase (+) Decrease (—) as compared with Budget, 1923-24.
	India.	* England.	Exchange.	Total.	
	Rs.	Rs.	Rs.	Rs.	Rs.
	16,69,13,000	10,42,64,000	4,73,93,000	31,85,70,000	—1,54,88,000
22	1,60,000	...	...	1,60,000	—56,000
23	63,60,000	...	...	63,60,000	—4,68,000
24	—68,12,000	15,00,000	6,82,000	—46,30,000	—34,56,000
25	—3,63,000	—72,000	—33,000	—4,68,000	—1,49,000
26	—71,75,000	14,28,000	6,49,000	—50,98,000	—36,05,000
27	19,22,00,000	10,27,16,000	4,66,89,000	34,16,05,000	—1,20,68,000
28	*11,05,44,000*	*4,34,87,000*	*1,97,67,000*	*17,37,98,000*	+1,39,92,000
29	*12,33,000*	...	...	*12,33,000*	—1,45,000
30	*63,60,000*	...	...	*63,60,000*	+4,68,000
31	*3,74,90,000*	...	...	*3,74,90,000*	+25,25,000
32	3,65,73,000	5,92,29,000	2,69,22,000	12,27,24,000	+47,72,000
33	3,08,54,000	76,000	35,000	3,09,65,000	—11,96,000
34	73,61,000	44,26,000	20,12,000	1,37,99,000	—82,45,000
35	7,47,88,000	6,37,31,000	2,89,69,000	16,74,88,000	—46,69,000
36	24,10,46,000	16,94,23,000	7,70,11,000	48,74,80,000	—2,42,86,000

BUDGET ESTIMATE, 1924-25.				
India.	* England.	Exchange.	TOTAL.	Item Number.
Rs.	Rs.	Rs.	Rs.	
18,15,79,000	8,91,08,000	3,85,68,000	30,92,55,000	
1,21,000	...	...	1,21,000	22
71,00,000	...	...	71,00,000	23
—1,12,81,000	17,70,000	7,66,000	—87,45,000	24
—3,92,000	6,53,000	2,84,000	5,45,000	25
—1,16,73,000	24,23,000	10,50,000	—82,00,000	26
20,00,00,000	10,48,90,000	4,54,00,000	35,02,90,000	27
12,41,63,000	*4,59,97,000*	*1,99,09,000*	*19,00,69,000*	28
12,41,000	...	...	*12,41,000*	29
71,00,000	...	...	*71,00,000*	30
4,46,08,000	...	...	*4,46,08,000*	31
2,28,88,000	5,88,93,000	2,54,91,000	10,72,72,000	32
3,63,06,000	70,000	30,000	3,64,06,000	33
99,31,000	2,06,88,000	89,54,000	3,95,73,000	34
6,91,25,000	7,96,51,000	3,44,75,000	18,32,51,000	35
24,62,52,000	17,11,82,000	7,40,93,000	49,15,27,000	36

* Sterling converted into Rupees at £1=Rs. 10.

of the Central Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1924-25. Increase (+) Decrease (—) as compared with Budget, 1923-24.	Increase (+) Decrease (—) as compared with Revised, 1923-24.	Distribution of Total between Voted.	Non-voted.	Heads of Expenditure.
	Rs.	Rs.	Rs.	Rs.	
	—2,48,03,000	—93,15,000	5,29,66,000	25,62,89,000	Brought forward.
					Irrigation, etc., Capital Account (charged to Revenue)—
22	—95,000	—39,000	1,21,000	...	16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues.
					Posts and Telegraphs Revenue Account—
23	+2,72,000	+7,40,000	...	71,00,000	17.—Posts and Telegraphs—Interest on Debt.
					Posts and Telegraphs Capital Account (charged to Revenue)—
					18.—Capital outlay on Posts and Telegraphs—
24	—75,71,000	—41,75,000	—87,45,000	...	Indian Postal and Telegraph Department.
25	+8,64,000	+10,13,000	5,45,000	...	Indo-European Telegraph Department.
26	—67,07,000	—31,02,000	—82,00,000	...	Total
					Debt Services—
27	—33,83,000	+86,85,000	...	...	19.—Interest on Ordinary Debt.
					Deduct—Amount chargeable to—
28	—22,79,000	—1,62,71,000	...	...	Railways.
29	—1,53,000	—8,000	...	...	Irrigation.
30	—2,72,000	—7,40,000	...	...	Posts and Telegraphs.
31	—45,93,000	—71,18,000	...	...	Provincial Governments.
32	—1,06,80,000	—1,54,52,000	21,06,000	10,51,66,000	Remainder chargeable to Ordinary Debt.
33	+42,45,000	+54,41,000	3,63,06,000	1,00,000	20.—Interest on other Obligations.
34	+1,75,29,000	+2,57,74,000	...	3,95,73,000	21.—Reduction or Avoidance of Debt.
35	+1,10,94,000	+1,57,63,000	3,84,12,000	14,48,39,000	Total
36	—2,62,39,000	+40,47,000	8,32,99,000	40,82,28,000	Carried over

B.—Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1922-23. India.	England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward	23,76,76,789	15,82,55,800	8,30,35,105	47,89,67,694	
Civil Administration—					
22.—General Administration—					
A.—Heads of Provinces (including Governor General) and Executive Councils					1
B.—Legislative Bodies					2
C.—Secretariat and headquarters establishment	1,26,83,295	...	...	1,26,83,295	3
D.—Commissioners					4
E.—District Administration					5
F.—Home Administration, etc.	...	51,07,680	26,26,147	77,33,827	6
23.—Audit	70,28,026	3,18,345	1,56,779	75,13,150	7
24.—Administration of Justice	9,99,342	73,088	38,316	11,10,746	8
25.—Jails and Convict Settlements	40,35,289	29,527	15,702	40,80,518	9
26.—Police	87,15,672	1,52,451	79,272	89,47,395	10
27.—Ports and Pilotage	20,12,187	1,55,432	83,749	22,51,368	11
28.—Ecclesiastical	25,65,461	2,66,376	1,40,438	29,72,275	12
29.—Political	2,94,71,976	5,86,237	3,10,466	3,03,68,679	13
30.—Scientific Departments	81,28,501	6,20,832	3,28,422	90,77,755	14
31.—Education	30,16,322	40,260	21,049	30,77,631	15
32.—Medical	25,64,110	4,43,132	2,29,735	32,36,977	16
33.—Public Health	15,29,878	47,636	25,241	16,02,755	17
34.—Agriculture	19,90,617	61,277	32,814	20,84,708	18
35.—Industries	11,033	15,579	7,996	34,608	19
36.—Aviation	46,009	1,104	599	47,712	20
37.—Miscellaneous Departments	20,77,928	3,51,308	1,79,405	26,08,641	21
Total	8,68,75,646	82,70,264	42,86,130	9,94,32,040	22
Currency, Mint and Exchange—					
38.—Currency	27,56,168	39,18,338	20,39,700	87,14,206	23
39.—Mint	15,12,179	54,206	29,140	15,95,525	24
Total	42,68,347	39,72,544	20,68,840	1,03,09,731	25
Carried over	32,88,20,782	17,04,98,608	8,93,90,075	58,87,09,465	

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1923-24.				
	India.	* England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1923-24.
	Rs. 24,10,46,000	Rs. 16,94,23,000	Rs. 7,70,11,000	Rs. 48,74,80,000	Rs. —2,42,86,000
1	24,47,000	...	...	24,47,000	+12,000
2	7,27,000	...	...	7,27,000	—1,81,000
3	67,74,000	...	...	67,74,000	+2,29,000
4	8,000	...	...	8,000	—6,000
5	15,75,000	...	...	15,75,000	—94,000
6	...	32,39,000	14,72,000	47,11,000	+5,72,000
7	70,40,000	2,71,000	1,23,000	74,34,000	—5,06,000
8	12,70,000	82,000	37,000	13,89,000	+2,17,000
9	36,76,000	49,000	22,000	37,47,000	—2,62,000
10	82,54,000	1,91,000	87,000	85,32,000	—1,48,000
11	21,60,000	1,19,000	54,000	23,33,000	—1,79,000
12	25,93,000	2,78,000	1,26,000	29,97,000	—2,86,000
13	3,04,10,000	—3,89,000	—1,77,000	2,98,44,000	—16,47,000
14	79,02,000	5,65,000	2,57,000	87,24,000	—1,69,000
15	30,85,000	90,000	41,000	32,16,000	...
16	23,89,000	3,43,000	1,56,000	28,88,000	+1,08,000
17	15,22,000	65,000	30,000	16,17,000	—53,000
18	23,16,000	1,32,000	60,000	25,08,000	+4,27,000
19	21,000	41,000	19,000	81,000	+5,000
20	22,000	1,000	...	23,000	—1,000
21	19,48,000	15,03,000	6,84,000	41,35,000	—1 57,000
22	8,61,39,000	65,80,000	29,91,000	9,57,10,000	—21,19,000
23	30,8 ,000	41,06,000	18,66,000	90,52,000	—4,37,000
24	14,06,000	51,000	23,000	14,80,000	—8.42,000
25	44,86,000	41,57,000	18,89,000	1,05,32,000	—7,79,000
	33,16,71,000	18,01,60,000	8,18,91,000	59,37,22,000	—2,71,84,000

India.	* England.	Exchange.	TOTAL.	Item Number.
Rs. 24,62,52,000	Rs. 17,11,82,000	Rs. 7,40,93,000	Rs. 49,15,27,000	
24,02,000	...	...	24,02,000	1
7,42,000	...	...	7,42,000	2
71,38,000	...	...	71,38,000	3
8,000	...	...	8,000	4
15,47,000	...	...	15,47,000	5
...	32,29,000	13,97,000	46,26,000	6
80,83,000	2,79,000	1,21,000	84,83,000	7
11,32,000	82,000	36,000	12,50,000	8
39,12,000	47,000	20,000	39,79,000	9
86,10,000	1,86,000	81,000	88,77,000	10
23,86,000	1,75,000	76,000	25,37,000	11
29,34,000	2,77,000	1,20,000	33,31,000	12
3,15,73,000	4,67,000	2,02,000	3,22,42,000	13
70,37,000	6,25,000	2,71,000	79,33,000	14
30,53,000	75,000	32,000	31,60,000	15
24,15,000	3,32,000	1,44,000	28,91,000	16
12,78,000	66,000	29,000	13,73,000	17
25,20,000	99,000	43,000	26,62,000	18
11,000	49,000	21,000	81,000	19
21,000	1,000	...	22,000	20
20,05,000	5,16,000	2,23,000	27,44,000	21
8,87,07,000	65,05,000	28,16,000	9,80,28,000	22
29,98,000	21,97,000	9,51,000	61,46,000	23
14,88,000	68,000	29,000	15,85,000	24
44,86,000	22,65,000	9,80,000	77,31,000	25
33,94,45,000	17,99,52,000	7,78,89,000	59,72,86,000	

* Sterling converted into Rupees at £1=Rs. 10.

of the Central Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1924-25. Increase (+) Decrease (—) as compared with Budget, 1923-24.	Increase (+) Decrease (—) as compared with Revised, 1923-24.	Distribution of Total between Voted.	Non-voted.	Heads of Expenditure.
	Rs. −2,02,39,000	Rs. +40,47,000	Rs. 8,32,99,000	Rs. 40,82,28,000	Brought forward.
					Civil Administration—
					22.—General Administration—
1	−33,000	−45,000			A.—Heads of Provinces (including Governor General) and Executive Councils.
2	−1,66,000	+15,000			B.—Legislative Bodies.
3	+5,93,000	+3,64,000	29,05,000	65,58,000	C.—Secretariat and headquarters establishment.
4	−6,000	...			D.—Commissioners.
5	−1,22,000	−28,000			E.—District Administration.
6	+4,87,000	−85,000			F.—Home Administration, etc.
7	+5,43,000	+10,49,000	77,65,000	7,18,000	23.—Audit.
8	+78,000	−1,39,000	9,14,000	3,36,000	24.—Administration of Justice.
9	−30,000	+2,32,000	37,49,000	2,30,000	25.—Jails and Convict Settlements.
10	+1,97,000	+3,45,000	78,78,000	9,99,000	26.—Police.
11	+25,000	+2,04,000	12,74,000	12,63,000	27.—Ports and Pilotage.
12	+48,000	+3,34,000	...	33,31,000	28.—Ecclesiastical.
13	+7,51,000	+23,98,000	...	3,22,42,000	29.—Political.
14	−9,60,000	−7,91,000	61,08,000	18,25,000	30.—Scientific Departments.
15	−56,000	−56,000	26,40,000	5,20,000	31.—Education.
16	+1,11,000	+3,000	18,32,000	10,29,000	32.—Medical.
17	−2,97,000	−2,44,000	5,44,000	8,29,000	33.—Public Health.
18	+5,81,000	+1,54,000	21,74,000	4,88,000	34.—Agriculture.
19	+5,000	...	61,000	20,000	35.—Industries.
20	−2,000	−1,000	20,000	2,000	36.—Aviation.
21	−15,48,000	−13,91,000	23,70,000	3,74,000	37.—Miscellaneous Departments.
22	+1,99,000	+23,18,000	4,72,34,000	5,07,94,000	Total
					Currency, Mint and Exchange—
23	−33,43,000	−29,06,000	59,58,000	1,88,000	38.—Currency.
24	−2,37,000	+1,05,000	14,31,000	1,54,000	39.—Mint.
25	−35,80,000	−28,01,000	73,89,000	3,42,000	Total
	−2,36,20,000	+35,64,000	13,79,22,000	45,93,64,000	Carried over.

B.—Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1922-23. India.	England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward	32,88,20,782	17,04,98,608	8,93,90,075	58,87,09,465	
Civil Works—					
41.—Civil Works	1,32,97,744	1,19,926	63,370	1,34,81,040	26
Miscellaneous—					
43.—Famine Relief and Insurance— A.—Famine Relief	80,651	...	...	80,651	27
44.—Territorial and Political Pensions	27,37,834	1,15,633	60,260	29,13,727	28
45.—Superannuation Allowances and Pensions	37,66,429	2,11,47,540	1,11,30,499	3,60,44,468	29
46.—Stationery and Printing	40,42,494	14,24,492	7,48,184	62,15,170	30
47.—Miscellaneous	48,14,104	12,98,060	6,89,908	68,02,072	31
Total	1,54,41,512	2,39,85,725	1,26,28,851	5,20,56,088	32
Military Services.					
48.—Army— Effective	44,33,06,927	7,27,96,971	3,74,68,758	55,35,72,656	33
Non-effective	4,15,19,947	3,42,12,042	1,77,55,505	9,34,87,494	34
	48,48,26,874	10,70,09,013	5,52,24,263	64,70,60,150	35
49.—Marine	99,77,625	26,49,400	13,71,593	1,39,98,618	36
50.—Military Works	4,67,09,652	15,23,886	7,61,649	4,90,00,187	37
Total	54,15,14,151	11,11,87,299	5,73,57,505	71,00,58,955	38
Provincial Contributions and Miscellaneous adjustments between Central and Provincial Governments—					
52.—Miscellaneous adjustments between the Central and Provincial Governments	...	...	...	...	39
Total Expenditure charged to Revenue	89,90,74,189	30,57,91,558	15,94,39,801	1,36,43,05,548	40

* Sterling converted into Rupees at £1 = Rs. 10.

Item Number.	Revised Estimate, 1923-24.				
	India.	* England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1923-24.
	Rs.	Rs.	Rs.	Rs.	Rs.
	33,16,71,000	18,01,60,000	8,18,91,000	59,37,22,000	—2,71,84,000
26	1,59,32,000	1,23,000	56,000	1,61,11,000	—15,52,000
27	12,000	...	...	12,000	+ 7,000
28	28,53,000	1,24,000	56,000	30,33,000	+ 47,000
29	13,12,000	2,03,55,000	92,52,000	3,09,19,000	—37,43,000
30	38,63,000	18,79,000	8,54,000	65,96,000	+ 5,96,000
31	51,24,000	16,01,000	7,28,000	74,53,000	—4,33,000
32	1,31,64,000	2,39,59,000	1,08,90,000	4,80,13,000	—35,26,000
33	39,72,92,000	6,52,80,000	2,96,73,000	49,22,45,000	—1,57,94,000
34	4,00,83,000	3,62,48,000	1,64,76,000	9,28,07,000	+ 23,50,000
35	43,73,75,000	10,15,28,000	4,61,49,000	58,50,52,000	—1,34,44,000
36	60,89,000	25,96,000	11,80,000	98,65,000	+ 2,29,000
37	4,32,04,000	8,60,000	3,91,000	4,44,55,000	+ 21,00,000
38	48,66,68,000	10,49,84,000	4,77,20,000	63,93,72,000	—1,11,15,000
39	17,79,000	...	...	17,79,000	+ 14,17,000
40	84,92,14,000	30,92,26,000	14,05,57,000	1,29,89,97,000	—4,19,60,000

Budget Estimate, 1924-25.				Item Number.
India.	*England.	Exchange.	Total.	
Rs.	Rs.	Rs.	Rs.	
33,94,45,000	17,99,52,000	7,78,89,000	59,72,86,000	
2,04,75,000	1,22,000	53,000	2,06,50,000	26
14,000	...	...	14,000	27
28,29,000	1,15,000	50,000	29,94,000	28
14,38,000	1,98,54,000	85,93,000	2,98,85,000	29
41,08,000	7,06,000	3,06,000	51,20,000	30
75,50,000	23,10,000	10,00,000	1,08,60,000	31
1,59,39,000	2,29,85,000	99,49,000	4,88,73,000	32
39,21,30,000	6,65,17,000	2,87,90,000	48,74,37,000	33
3,76,67,000	3,74,82,000	1,62,24,000	9,13,73,000	34
42,97,97,000	10,39,99,000	4,50,14,000	57,88,10,000	35
55,97,000	24,92,000	10,79,000	91,68,000	36
4,13,53,000	4,78,000	2,07,000	4,20,38,000	37
47,67,47,000	10,69,69,000	4,63,00,000	63,00,16,000	38
22,65,000	...	...	22,65,000	39
85,48,71,000	31,00,28,000	13,41,91,000	1,29,9 ,90,000	40

* Sterling converted into Rupees at £1 = Rs. 10.

of the Central Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1924-25. Increase (+) Decrease (—) as compared with Budget, 1923-24.	Increase (+) Decrease (—) as compared with Revised, 1923-24.	Distribution of Total between Voted.	Non-voted.	Heads of Expenditure.
	Rs.	Rs.	Rs.	Rs.	
	−2,36,20,000	+35,64,000	13,79,22,000	45,93,64,000	Brought forward.
					Civil Works—
26	+29,87,000	+45,39,000	1,39,69,000	66,81,000	41.—Civil Works.
					Miscellaneous—
27	+9,000	+2,000	14,000	...	43.—Famine Relief and Insurance— A.—Famine Relief.
28	+8,000	−39,000	...	29,94,000	44.—Territorial and Political Pensions.
29	—47,77,000	—10,34,000	40,86,000	2,57,99,000	45.—Superannuation Allowances and Pensions.
30	—8,80,000	—14,76,000	50,24,000	96,000	46.—Stationery and Printing
31	+29,74,000	+34,07,000	78,49,000	30,11,000	47.—Miscellaneous.
32	—26,66,000	+ 8,60,000	1,69,73,000	3,19,00,000	Total
					Military Services
					48.—Army—
33	—2,06,02,000	—48,08,000	...	48,74,37,000	Effective.
34	+9,16,000	—14,34,000	...	9,13,73,000	Non-effective.
35	—1,96,86,000	—62,42,000	...	57,88,10,000	
36	—4,68,000	—6,97,000	...	91,68,000	49.—Marine.
37	—3,17,000	—24,17,000	...	4,20,38,000	50.—Military Works.
38	—2,04,71,000	—93,56,000	...	63,00,16,000	Total
					Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—
39	+19,03,000	+4,86	22,65,000	...	52. Miscellaneous adjustments between the Central and Provincial Governments.
40	—4,18,67,000	+93,000	17,11,29,000	1,12,79,61,000	Total Expenditure charged to Revenue.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1922-23.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Revenue (from Statement A)	1,18,93,75,017	1,62,26,595	1,20,56,01,612
Exchange added to Revenue	85,27,544	...	85,27,544
Total	1,19,79,02,561	1,62,26,595	1,21,41,29,156
Excess of Revenue over Expenditure charged to Revenue			—15,01,76,392
Railway Capital not charged to Revenue—			
Capital contributed by Railway Companies and Indian States towards outlay on State Railways	10,41,557	17,85,000	28,26,557
Public Debt Incurred—			
Permanent Debt—			
Sterling Debt—			
Debenture stock of East Indian Railway Company taken over by the Secretary of State	...	...	
5½ per cent. Stock	...	14,55,08,954	
4½ per cent. Stock	...	17,00,00,000	
Rupee Debt—			
New Rupee Loan	...	...	
6 per cent. Bonds, 1932	19,49,00,000	...	
6 per cent. Bonds, 1926	1,500	...	
6 per cent. Bonds, 1927	27,38,19,300	...	
5½ per cent. War Bonds, 1921	100	...	
5 per cent. Loan 1945-55	...	...	
5 per cent. Bonds, 1933	...	...	
3½ per cent. Loans	...	...	
Total	46,87,20,900	31,55,08,954	78,42,29,854
Net			66,22,99,053
Floating Debt—			
Treasury Bills—			
Issued to Public	46,19,10,000	...	
Issued to Paper Currency Reserve	49,65,00,000	...	
Other Floating Loans	...	...	
Total	95,84,10,000	...	95,84,10,000
Net			0
Unfunded Debt—			
Deposits of Service Funds	15,83,523	29,102	
Post Office Cash Certificates	70,00,093	...	
Savings Bank Deposits	24,28,22,723	1,94,702	
Total	25,14,06,339	2,14,804	25,16,21,143
Net			2,96,51,483
Deposits and Advances—			
Appropriation for Reduction or Avoidance of Debt	...	...	
Deposits of Local Funds—			
District Funds	11,90,75,383	...	
Other Funds	8,20,49,830	...	
Deposits of Branch Line Companies	3,25,196	...	
Sinking Funds for Central Loans	1,54,00,000	...	
Other Sinking Fund Deposits	3,12,583	...	
Gold Standard Reserve	...	1,47,88,92,023	
Paper Currency Reserve	2,12,47,911	24,19,85,356	
Departmental and Judicial Deposits	80,73,52,914	...	
Advances	13,17,50,326	1,25,73,370	
Discount Sinking Fund	...	...	
Suspense Accounts	95,49,987	2,47,54,928	
Exchange on Remittance Accounts	16,95,17,740	...	
Miscellaneous	11,24,25,997	72,20,111	
Total	1,46,90,07,867	1,76,54,25,788	3,23,44,33,655
Net			17,82,38,542
Carried over	4,34,64,89,224	2,09,91,61,141	

*Sterling converted into Rupees at £1 = Rs. 10.

Central Government, in India and in England.

Revised Estimate, 1923-24.			Budget Estimate, 1924-25.		
India.	* England.	Total.	India.	* England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,25,52,76,000	4,42,25,000	1,29,95,01,000	1,26,17,16,000	2,73,73,000	1,28,90,89,000
2,01,03,000	...	2,01,03,000	1,18,48,000	...	1,18,48,000
1,27,53,79,000	4,42,25,000	1,31,96,04,000	1,27,35,64,000	2,73,73,000	1,30,09,37,000
		2,06,07,000			18,47,000
...	...	...	24,24,000	56,00,000	80,24,000
...	...		...	18,50,00,000	
...	9,29,000		...	9,87,000	
...	18,06,54,000		...	8,68,000	
...	...		20,00,00,000	...	
...	...		...	...	
...	...		...	...	
2,000	...		...	...	
...	...		...	...	
9,79,77,000	...		...	...	
14,17,70,000	...		...	...	
12,00,000	...		6,00,000	...	
24,09,49,000	18,15,83,000	42,25,32,000	20,06,00,000	18,68,55,000	38,74,55,000
		37,21,89,000			36,85,62,000
6,63,00,000	...		...	...	
55,25,00,000	...		55,25,00,000	...	
5,00,00,000	...		...	...	
66,88,00,000	...	66,88,00,000	55,25,00,000	...	55,25,00,000
		0			0
14,51,000	10,92,000		14,20,000	1,62,000	
6,88,00,000	...		3,00,00,000	...	
26,13,35,000	1,40,000		27,74,42,000	1,20,000	
33,15,86,000	12,32,000	33,28,18,000	30,88,62,000	2,82,000	30,91,44,000
		10,52,36,000			7,51,45,000
...	...		11,00,000	...	
12,25,19,000	...		12,05,85,000	...	
8,11,35,000	...		8,26,75,000	...	
8,54,000	...		9,97,000	...	
73,81,000	...		88,31,000	...	
3,25,000	...		3,38,000	...	
...	1,22,67,92,000		...	1,03,90,72,000	
2,97,72,000	42,25,37,000		...	45,98,58,000	
74,63,48,000	...		74,15,09,000	...	
20,66,37,000	77,00,000		18,58,20,000	6,68,000	
...	...		4,40,000	...	
1,98,35,000	1,69,60,000		1,03,41,000	1,95,86,000	
3,32,27,000	...		13,97,35,000	...	
89,80,000	43,27,000		1,25,14,000	45,29,000	
1,25,19,93,000	1,67,83,16,000	2,93,03,09,000	1,30,48,85,000	1,52,37,13,000	2,82,85,98,000
		4,89,88,000			15,42,67,000
3,76,87,07,000	1,90,53,56,000		3,64,28,35,000	1,74,38,23,000	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1922-23.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Brought forward .	4,34,64,89,224	2,09,91,61,141	
Loans and Advances by the Central Government	32,49,831	...	32,49,831
Net .			20,42,338
Loans between Central and Provincial Governments	1,17,68,164	...	1,17,68,164
Net .			0
Remittances—			
Remittances within India—			
Inland Money Orders	83,46,21,008	...	
Other Local Remittances . . .	8,16,130	...	
Other Departmental Accounts . .	4,38,401	...	
Net Receipts by Civil Treasuries from—			
Railways	14,60,58,900	...	
Posts and Telegraphs	...	...	
Net Receipts from Civil Treasuries by—			
Posts and Telegraphs	2,44,87,728	...	
Marine	1,06,67,970	...	
Army and Military Works . . .	49,33,06,251	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	2,500	2,69,82,066	
Sale of gold	...	...	
Other transactions	7,87,49,313	6,88,01,117	
Remittances from India for financing Home Treasury	...	4,76,62,361	
Transfers through Paper Currency Reserve	2,15,370	...	
Total .	1,58,93,63,571	14,34,45,544	1,73,28,09,115
Net .			37,92,494
Balances of Provincial Governments . .	2,01,16,997	...	2,01,16,997
Net .			6,34,730
Total Receipts .	5,97,09,87,787	2,24,26,06,685 (a)	
Opening Balance .	25,66,13,170	8,99,53,817	
GRAND TOTAL .	6,22,76,00,957	2,33,25,60,502	

* Sterling converted into Rupees at £1=Rs. 10.

(a) Of this amount, R17,753 represents the funds of the Gold Standard Reserve.

Central Government, in India and in England—*contd.*

Revised Estimate, 1923-24.			Budget Estimate, 1924-25.		
India.	* England.	Total.	India.	* England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3,76,87,07,000	1,90,53,56,000		3,64,28,35,000	1,74,38,23,000	
35,19,000	...	35,19,000	28,71,000	...	28,71,000
		20,44,000			6,70,000
98,35,000	...	98,35,000	1,20,68,000	...	1,20,63,000
		0			0
85,00,00,000	...		86,00,00,000	...	
6,70,000	...		2,76,000	...	
5,03,89,000	...		5,01,21,000	...	
14,81,69,000	...		15,40,85,000	...	
4,09,16,000	...		...	...	
...	...		4,62,000	...	
59,85,000	...		59,90,000	...	
45,30,31,000	...		40,74,99,000	...	
...	2,42,70,000		...	2,56,00,000	
...	2,00,00,000		...	...	
1,39,74,000	5,08,30,000		50,74,000	2,91,80,000	
...	22,51,60,000		...	26,00,00,000	
14,00,00,000	5,84,77,000		...	10,00,00,000	
1,70,31,34,000	37,87,37,000	2,08,18,71,000	1,48,35,07,000	41,47,80,000	1,89,82,87,000
		0			1,38,000
7,14,00,000	...	7,14,00,000	4,47,000	...	4,47,000
		5,03,81,000			0
5,55,65,95,000	2,28,40,93,000 (b)		5,14,17,23,000	2,15,86,03,000 (b)	
25,95,80,424	9,82,19,688		29,77,01,424	7,63,05,688	
5,81,61,75,424	2,38,23,12,688		5,43,94,24,424	2,23,49,08,688	

(b) Of this amount, R36,584 represents the funds of the Gold Standard Reserve.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1922-23.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	89,90,74,189	30,57,91,558	1,20,48,65,747
Exchange charged as Expenditure	15,94,39,801	...	15,94,39,801
Total	1,05,85,13,990	30,57,91,558	1,36,43,05,548
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—			
Construction of State Railways	8,56,60,812	9,86,81,493	18,43,42,305
Redemption of Liabilities involved in the purchase of Railways	...	...	...
Payments for discharge of debentures	23,34,021	40,00,000	63,34,021
Construction of Irrigation Works	2,24,273	946	2,25,219
Capital outlay on Indian Postal and Telegraph Department	65,62,006	...	65,62,006
Initial expenditure on new Capital at Delhi	1,66,89,065	17,90,367	1,84,79,432
Public Debt Discharged—			
Permanent Debt—			
Rupee Debt—			
5½ p. c. War Bonds, 1920	12,06,675	...	
Do. Do. 1921	34,07,950	...	
Do. Do. 1922	7,41,03,400	...	
Do. Do. 1923	8,00,500	...	
Do. Do. 1925	...	...	
Do. Do. 1928	...	...	
5 p. c. War Loan, 1929-47	54,39,500	...	
5 p. c. Loan, 1945-55	1,37,23,800	...	
4 p. c. Loans	2,31,67,300	...	
3½ p. c. Loans	3,076	...	
3 p. c. Loan	78,400	...	
Provincial Debenture Loans	200	...	
Total	12,19,30,801	...	12,19,30,801
Net			0
Floating Debt—			
Treasury Bills—			
Issued to Public	78,56,90,000	...	
Do. Paper Currency Reserve	57,89,00,000	...	
Other Floating Loans	...	...	
Total	1,36,45,90,000	...	1,36,45,90,000
Net			40,61,80,000
Unfunded Debt—			
Special Loans	30,387	...	
Deposits of Service Funds	15,21,881	1,35,973	
Post Office Cash Certificates	1,91,46,822	...	
Savings Bank Deposits	20,10,57,865	76,732	
Total	22,17,56,955	2,12,705	22,19,69,660
Net			0
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	11,97,70,540	...	
Other Funds	7,87,78,969	...	
Deposits of Branch Line Companies	6,69,132	...	
Sinking Funds for Central Loans	1,70,22,478	...	
Gold Standard Reserve	...	1,47,88,73,193	
Paper Currency Reserve	8,16,02,454	24,19,85,356	
Departmental and Judicial Deposits	81,00,39,386	...	
Advances	12,82,61,673	1,24,75,892	
Discount Sinking Fund	...	...	
Suspense Accounts	4,99,45,779	1,99,91,723	
Miscellaneous	96,09,352	71,69,186	
Total	1,29,56,99,763	1,76,04,95,350	3,05,61,95,113
Net			0
Carried over	4,17,39,61,686	2,17,09,72,419	

* Sterling converted into Rupees at £ 1=Rs. 10.

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1923-24.			BUDGET ESTIMATE, 1924-25.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
84,92,14,000	30,92,26,000	1,15,84,40,000	85,48,71,000	31,00,28,000	1,16,48,99,000
14,05,57,000	...	14,05,57,000	13,41,91,000	...	13,41,91,000
98,97,71,000	30,92,26,000	1,29,89,97,000	98,90,62,000	31,00,28,000	1,29,90,90,000
12,83,12,000	10,77,52,000	23,60,64,000	18,43,16,000	11,56,84,000	(a) 30,00,00,000
...	...	...	8,57,03,000	18,50,00,000	27,07,03,000
32,52,000	71,55,000	1,04,07,000	43,76,000	1,01,10,000	1,44,86,000
5,000	2,000	7,000	...	...	...
96,65,000	...	96,65,000	1,73,95,000	...	(b) 1,73,95,000
1,74,69,000	7,31,000	1,82,00,000	1,41,62,000	5,?8,000	(c) 1,47,00,000
4,00,000	...		3,00,000	...	
6,00,000	...		4,00,000	...	
26,00,000	...		4,00,000	...	
1,40,00,000	...		15,00,000	...	
1,000	...		...	...	
32,000	...		...	...	
41,07,000	...		48,93,000	...	
...	...		85,00,000	...	
2,72,00,000	...		22,00,000	...	
3,000	...		...	...	
14,00,000	...		7,00,000	...	
...	...		...	...	
5,03,43,000	...	5,03,43,000	1,88,93,000	...	1,88,93,000
		0			0
26,09,00,000	...		2,13,00,000	...	
55,25,00,000	...		55,25,00,000	...	
5,00,00,000	...		...	...	
86,34,00,000	...	86,34,00,000	57,38,00,000	...	57,38,00,000
		19,46,00,000			2,13,00,000
30,000	...		30,000	...	
15,29,000	3,00,000		15,40,000	20,000	
1,62,00,000	...		1,50,00,000	...	
20,94,53,000	70,000		21,73,59,000	50,000	
22,72,12,000	3,70,000	22,75,82,000	23,39,29,000	70,000	23,39,99,000
		0			0
12,46,95,000	...		12,14,21,000	...	
8,20,04,000	...		8,22,71,000	...	
10,05,000	...		8,89,000	...	
7,80,000	...		1,24,14,000	...	
...	1,22,67,92,000		...	1,03,90,72,000	
...	42,25,37,000		...	45,98,58,000	
76,22,16,000	...		73,69,17,000	...	
18,82,33,000	94,93,000		18,23,56,000	14,01,000	
81,72,000	...		...	...	
1,49,36,000	1,69,60,000		95,90,000	1,95,86,000	
...	2,04,98,000		...	85,56,000	
1,18,50,41,000	1,69,62,80,000	2,88,13,21,000	1,14,58,58,000	1,?2,84,73,000	2,67,43,31,000
		0			0
3,47,44,70,000	2,12,15,16,000		3,26,74,94,000	2,14,99,03,000	

(a) Of this amount, R2,39,000 is non-voted and the balance of R29,97,61,000 is voted.
(b) The whole of this amount is voted.
(c) Of this amount, R4,03,000 is non-voted and the balance of R1,42,97,000 is voted.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1922-23.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Brought forward	4,17,39,61,686	2,17,09,72,419	
Loans and Advances by the Central Government	12,07,493	...	12,07,493
Net			0
Loans between Central and Provincial Governments	10,77,20,861	...	10,77,20,861
Net			9,59,52,697
Remittances—			
Remittances within India—			
Inland Money Orders	83,55,79,888	...	
Other Local Remittances	...	...	
Other Departmental Accounts	1,15,300	...	
Net Payments into Civil Treasuries by—			
Railways	13,65,33,804	...	
Posts and Telegraphs			
Net Issues from Civil Treasuries to—			
Posts and Telegraphs	2,43,79,791	...	
Marine	1,06,58,347	...	
Army and Military Works	49,46,89,480	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	2,63,85,360	...	
Sale of gold	...	...	
Other transactions	10,89,16,250	4,38,80,670	
Remittances from India for financing Home Treasury	4,76,62,361	...	
Transfers through Paper Currency Reserve	2,09,912	5,458	
Total	1,68,51,30,493	4,38,86,128	1,72,90,16,621
Net			0
Balances of Provincial Governments	...	1,94,82,267	1,94,82,267
Net			0
Total Disbursements	5,96,80,20,533	2,23,43,40,814 (a)	
Closing Balance	25,95,80,424	9,82,19,688	
GRAND TOTAL	6,22,76,00,957	2,33,25,60,502	

* Sterling converted into Rupees at £1=Rs. 10.

Delhi,
Finance Department.
The 28th March 1924.

M. F. GAUNTLETT.
Auditor General.

Central Government, in India and in England—*contd.*

Revised Estimate, 1923-24.			Budget Estimate, 1924-25.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3,47,44,70,000	2,12,15,16,000		3,26,74,94,000	2,14,99,03,000	
14,75,000	...	14,75,000	22,01,000	...	22,01,000
		0			0
12,30,61,000	...	12,30,61,000	13,93,25,000	...	13,93,25,000
		11,32,26,000			12,72,62,000
85,05,00,000	...		86,00,00,000	...	
6,69,000	...		6,54,000	...	
5,00,62,000	...		5,00,00,000	...	
11,51,69,000	...		15,40,85,000	...	
4,09,16,000	...		...	...	
...	...		4,62,000	...	
59,85000	...		59,90,000	...	
45,30,31,000	...		40,74,99,000	...	
2,42,70,000	...		2,56,00,000	...	
2,00,00,000	...		...	...	
3,52,29,000	2,34,72,000		2,73,78,000	64,81,000	
22,51,60,000	...		26,00,00,000	...	
5,84,77,000	14,00,00,000		10,00,00,000	...	
1,91,94,68,000	16,34,72,000	2,08,29,40,000	1,89,16,68,000	64,81,000	1,89,81,49,000
		10,69,000			0
...	2,10,19,000	2,10,19,000	...	3,04,70,000	3,04,70,000
		0			3,00,23,000
5,51,84,74,000	2,30,60,07,000 (a)		5,30,06,88,000	2,18,68,54,000 (a)	
29,77,01,424	7,63,05,688		13,87,36,424	4,80,54,688	
5,81,61,75,424	2,38,23,12,688		5,43,94,24,424	2,23,49,08,688	

(a) Of this amount, R36,584 represents the funds of the Gold Standard Reserve.

A. V. V. AIYAR,
Offg. Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

D.—Abstract Statement of the Receipts and Disbursements of the

REVENUE AND EXPENDITURE.		Accounts, 1922-23.			
		Revenue.	Expenditure.	Net Receipts.	Net Charges.
		Rs.	Rs.	Rs.	Rs.
Principal Heads of Revenue	Customs	41,34,65,362	70,62,000	40,64,03,362	
	Taxes on Income	17,99,41,150	44,56,136	17,54,85,014	
	Salt	6,82,46,112	1,51,36,147	5,31,09,965	
	Opium	3,78,92,068	1,86,60,643	1,92,31,425	
	Other heads	2,34,00,268	38,90,054	1,65,10,214	
	TOTAL	72,29,44,960	5,22,04,980	67,07,39,980	...
Commercial Services	Railways	26,82,98,476	25,60,99,247	1,21,99,229	...
	Irrigation	10,90,752	13,75,391	...	2,84,639
	Posts and Telegraphs	1,22,29,448	76,98,536	45,30,912	...
Debt Services	Interest	1,15,70,696	16,15,89,540	...	15,00,18,844
Civil Administration	Civil Administration	44,34,528	9,94,32,040	...	9,49,97,512
Currency, Mint and Exchange	Currency	3,35,08,720	87,14,206	2,47,94,514	...
	Mint	26,94,411	15,95,525	10,98,886	...
Civil Works	Civil Works	14,38,067	1,34,81,040	...	1,20,42,973
Miscellaneous Civil Services	Famine Relief	...	80,651	...	80,651
	Superannuation	28,50,509	3,60,44,468	...	3,31,93,959
	Miscellaneous	16,76,985	68,02,072	...	51,25,087
	Other Heads	17,19,131	91,28,897	...	74,09,766
ilitary Services	Army — Effective	4,49,71,920	55,35,72,656	...	50,86,00,736
	Army — Non-effective	34,00,973	9,34,87,494	...	9,00,86,521
	Marine	32,72,538	1,39,98,618	...	1,07,26,080
	Military works	57,33,434	4,90,00,187	...	4,32,66,753
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments		9,22,93,608	...	9,22,93,608	...
	TOTAL	1,21,41,29,156	1,36,43,05,548	80,56,57,129	95,58,33,521
	Surplus			...	
	Deficit			15,01,76,392	

Central Government, in India and in England

Revised Estimate, 1923-24.		Budget Estimate, 1924-25.	
Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Rs.	Rs.	Rs.	Rs.
39,69,60,000		44,19,59,000	
18,42,47,000		17,56,78,000	
7,27,62,000		7,59,27,000	
1,72,21,000		2,24,52,000	
2,11,34,000		1,70,05,000	
69,23,24,000	...	73,30,21,000	...
6,28,00,000	...	4,58,14,000	...
...	5,31,000	...	10,38,000
72,32,000	...	1,18,41,000	...
...	13,50,63,000	...	15,15,26,000
...	8,89,61,000	...	9,08,27,000
2,04,05,000	...	2,85,93,000	...
...	1,69,000	62,000	...
...	1,47,92,000	...	1,94,14,000
...	12,000	...	14,000
...	2,83,91,000	...	2,74,10,000
2,09,83,000	...	...	74,50,000
...	82,49,000	...	72,51,000
...	46,30,75,000	...	46,60,31,000
...	9,00,46,000	...	8,88,41,000
...	68,66,000	...	76,76,000
...	3,74,32,000	...	3,99,52,000
9,04,50,000	...	8,99,46,000	...
89,41,94,000	87,35,87,000	90,92,77,000	90,74,30,000
2,06,07,000		18,47,000	
...		...	

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England—*contd.*

	Revenue and Expenditure.	Accounts, 1922-23.		Revised Estimate, 1923-24.		Budget Estimate, 1924-25.	
		Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Surplus	...	...	2,06,07,000	...	18,47,000	...
	Deficit	...	15,01,76,393	...	...	...	...
Capital Account.	Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue :—						
	Capital contributed by Railway Companies and Indian States towards construction of State Railways	28,26,557	...	...	...	80,24,000	...
	Construction of Irrigation Works	...	2,25,219	...	7,000	...	...
	Construction of State Railways	...	18,43,42,305	...	23,60,64,000	...	30,00,00,000
	Capital outlay on Indian Postal and Telegraph Department	...	65,62,006	...	96,65,000	...	1,73,95,000
	Initial expenditure on new Capital at Delhi	...	1,84,79,452	...	1,82,00,000	...	1,47,00,000
	Payments for discharge of Debentures	...	63,34,021	...	1,04,07,000	...	1,44,86,000
	Redemption of Liabilities involved in the purchase of Railways	...	...	...	...	...	27,07,03,000
Debt, Deposits, Advances and Remittances.	Permanent Debt (net)	66,22,99,053	...	37,21,89,000	...	36,85,62,000	...
	Floating Debt (net)	...	40,61,80,000	...	19,46,00,000	...	2,13,00,000
	Unfunded Debt (net)	2,96,51,483	...	10,52,36,000	...	7,51,45,000	...
	Loans and Advances by Central Government (net)	20,42,338	...	20,44,000	...	6,70,000	...
	Loans between Central and Provincial Governments (net)	...	9,59,52,697	...	11,33,26,000	...	12,72,62,000
	Deposits and Advances (net)	17,82,38,542	...	4,89,38,000	...	15,42,67,000	...
	Remittances (net)	37.92,494	...	...	10,69,000	1,38,000	...
	Balances of Provincial Governments (net)	6,34,730	...	5,03,81,000	...	...	3,00,23,000
Cash Balance.	Opening Balance	34,65,66,987	...	35,78,00,112	...	37,40,07,112	...
	Closing Balance	...	35,78,00,112	...	37,40,07,112	...	18,67,91,112
	Total	1,22,60,52,184	1,22,60,52,184	95,72,45,112	95,72,45,112	98,26,60,112	98,26,60,112

M. F. GAUNTLETT, *Auditor General.*

A. V. V. AIYAR, *Offg. Controller of the Currency.*

A. C. McWATTERS, *Secretary to the Government of India.*

DELHI,
FINANCE DEPARTMENT.
The 28th March 1924.

NOTES EXPLAINING THE DETAILS UNDER CERTAIN HEADS OF THE ESTIMATES.

General results.

The broad totals of revenue and expenditure for the last year, the current year and the ensuing year, are as follows:—

	Actuals, 1922-23.
	R
Revenue	1,21,41,29,156
Expenditure charged to Revenue	1,36,43,05,548
Deficit	15,01,76,392

	Revised, 1923-24.
	R
Revenue	1,31,96,04,000
Expenditure charged to Revenue	1,29,89,97,000
Surplus	2,06,07,000

	Budget, 1924-25.
	R
Revenue	1,30,09,37,000
Expenditure charged to Revenue	1,29,90,90,000
Surplus	18,47,000

These figures exclude all capital, debt and remittance transactions.

Actuals, 1922-23.

2. The following table compares the Revised estimates of revenue and expenditure as framed twelve months ago, and the actual accounts of the year as closed, audited and compiled by the Auditor General:—

	Revenue.	Expenditure.	Deficit.
	R	R	R
Revised, 1922-23	1,20,70,17,000	1,37,95,52,000	17,25,35,000
Actuals, 1922-23	1,21,41,29,156	1,36,43,05,548	15,01,76,392

The actual deficit was less than the Revised estimate by R2,23,58,608. There was a decrease of R1,81,98,000 in Military expenditure owing mainly to the non-utilisation of a provision of £800,000 included in the Revised estimate for payment to the War Office in respect of the Indian share of the cost of disbandment of surplus troops. A decline of R95 laghs in Customs revenue was more than set off by an improvement in the net receipts from Railways (R1,01 lakhs).

Revisd, 1923-24.

3. The Revised estimates of ordinary revenue and expenditure for 1923-24 are as follows:—

	(In thousands of rupees.)
Revenue	1,29,52,41
Expenditure charged to Revenue	1,29,89,97
Deficit of ordinary revenue .	37,56

A sum of £3,250,000 representing the profits from the control of enemy ships which has been lying at credit of a suspense head is, however, available for credit to revenue. Out of this windfall, a sum of ₹2 crores has been reserved for refund to railway companies of customs duty on stores collected from them under protest prior to the Bombay High Court's decision declaring such stores to fall within the definition of Government Stores, in the event of the appeal which has been preferred against the decision being unfavourable to Government. A credit of ₹25 lakhs out of the windfall has also been included in the Budget estimates for 1924-25 in order to meet the payment of *ex gratia* compensation to individuals who have suffered from enemy action during the war. The amount required for these two purposes at the rate of exchange of 1s. 4¾d. adopted for the Budget for next year is £1,575,000, leaving £1,675,000 (equivalent at 1s. 4½d. the average rate of exchange for the current year, to ₹2,43.63 lakhs) available for credit to revenue in the current year. If account is taken of this credit, the deficit of ₹37,56,000 is converted into a surplus of ₹2,06,07,000.

Budget, 1924-25.

4. The surplus of ₹18·47 lakhs shown in the Budget estimates for 1924-25 is arrived at after providing for salt duty at ₹1-4 a maund.

5. The details of certain heads of the estimates are explained in the following pages. The Railway estimates are explained in a separate memorandum.

I AND 1.—CUSTOMS.

SEA CUSTOMS.	Actuals, 1920-1921.	Actuals, 192	Actuals, 1922-1923.	1923-1924. Budget.	1923-1924. Revised.	Budget, 1924-1925.
IMPORTS.						
Special Import Duties.	R		R	R	R	R
1. Liquors—						
(*a*) Ale, Beer, Porter, Cider and other fermented Liquors	8,89,000	11,44,000	13,49,000	14,30,000	13,75,000	14,40,000
(*b*) Spirits and Liqueurs	1,70,16,000	1,91,71,000	2,10,19,000	2,26,00,000	2,09,00,000	2,22,00,000
(*c*) Wines	9,01,000	12,58,000	10,78,000	12,00,000	11,40,000	12,00,000
2. Sugar, all sorts	1,09,17,000	6,50,69,700	4,40,95,000	5,00,00,000	3,85,00,000	4,55,00,000
3. Tobacco	1,31,26,000	1,01,36,000	1,54,76,000	1,60,00,000	1,65,00,000	1,75,00,000
4. Coal, coke and patent fuel	46,000	7,59,000	4,80,000	5,50,000	2,90,000	3,00,000
5. Mineral oils	77,34,000	80,97,000	1,10,89,000	1,25,00,000	1,35,00,000	1,45,00,000
6. Arms, Ammunition and Military Stores	6,15,000	7,51,000	8,27,000	9,00,000	8,10,000	8,40,000
7. Opium	3,000	2,000	2,000	3,000	4,000	3,000
8. Cotton yarn and thread	...	...	48,86,000	55,00,000	41,60,000	48,00,000
9. Cotton piece-goods	6,41,19,000	4,66,61,000	6,39,03,000	6,85,00,000	6,12,00,000	6,60,00,000
10. Matches	16,57,000	1,03,84,000	1,53,63,000	1,60,00,000	1,47,00,000	1,67,00,000
Duty at 2½ per cent.						
11. Machinery	52,67,000	1,15,95,000	68,33,000	69,00,000	58,50,000	67,00,000
12. Other articles	4,32,000	2,66,000	2,00,000	2,00,000	2,10,000	2,15,000
Duty at 10 per cent.						
13. Metals—Iron and Steel	66,90,000	67,75,000	1,84,08,000	2,00,00,000	1,71,00,000	1,80,00,000
14. Railway plant and rolling stock	33,91,000	53,32,000	1,07,02,000	1,10,00,000	64,00,000	1,30,00,000
15. Other articles	35,000	1,79,000	2,89,000	2,01,000	6,50,000	4,62,000
Duty at 15 per cent.						
16. Articles of Food and Drink (excluding sugar and vinegar)	63,69,000	83,00,000	1,22,54,000	1,45,00,000	1,27,00,000	1,10,00,000
17. Raw materials and articles mainly unmanufactured	38,23,000	42,15,000	74,71,000	68,00,000	63,50,000	71,35,000
18. Articles wholly or mainly manufactured—						
(*a*) Cutlery, hardware, implements and instruments	1,28,57,000	1,27,24,000	1,38,40,000	1,43,50,000	1,14,00,000	1,35,00,000
(*b*) Metals other than Iron and Steel	69,92,000	61,55,000	1,07,34,000	1,21,00,000	92,50,000	1,00,00,000
(*c*) Yarns and textile fabrics (other than cotton manufactures)	1,05,42,000	55,03,000	75,88,000	78,00,000	1,05,00,000	1,20,00,000
(*d*) All other articles wholly or mainly manufactured	4,30,93,000	2,71,06,000	3,78,69,000	4,00,00,000	3,70,00,000	4,00,00,000
19. Miscellaneous	72,64,000	70,75,000	52,74,000	60,00,000	52,10,000	60,00,000
Carried over	22,37,78,000	25,86,57,000	31,00,29,000	33,55,34,000	29,56,99,000	33,19,95,000

I AND 1.—CUSTOMS—*contd.*

	Actuals, 1920-1921.	Actuals, 1921-1922.	Actuals, 1922-1923.	1923-1924. Budget.	1923-1924. Revised.	Budget, 1924-1925.
SEA CUSTOMS—*contd.*	R	R		R	R	R
IMPORTS—*contd.*						
Brought forward	22,37,78,000	25,86,57,000	31,00,29,000	33,55,34,000	29,56,99,000	33,19,95,000
Duty at 30 per cent.						
20. Motor cars and cycles	...	51,50,000	56,08,000	70,00,000	77,00,000	80,00,000
21. Silk piece-goods and other manufactures of silk	49,17,000	51,60,000	80,62,000	85,00,000	77,00,000	80,00,000
22. Pneumatic rubber tyres and tubes	...	21,85,000	32,42,000	37,50,000	31,00,000	33,00,000
23. Other articles	29,40,000	58,67,000	96,82,000	1,10,00,000	97,50,000	1,05,00,000
Government Stores.						
24. Duty on Government Stores other than Railway Stores	...	...	...	...	...	53,50,000
TOTAL IMPORTS	23,16,35,000	27,70,19,000	33,66,23,000	36,57,84,000	32,39,49,000	36,71,45,000
25. Export duties—						
(a) Hides and skins, raw	60,22,000	51,42,000	42,60,000	25,00,000	24,14,000	25,00,000
(b) Jute (raw and manufactured)	3,21,13,000	2,71,99,000	3,29,25,000	3,45,00,000	3,70,66,000	3,60,00,000
(c) Rice	60,28,000	80,45,000	1,08,06,000	1,15,00,000	1,11,00,000	1,11,93,000
(d) Tea	42,05,000	46,26,000	44,41,000	55,45,000	47,50,000	49,04,000
26. Sea Customs—Miscellaneous	18,85,000	12,67,000	11,60,000	11,74,000	11,50,000	12,00,000
27. Land Customs	14,01,000	14,60,000	20,76,000	20,33,000	20,00,000	23,00,000
28. Excise Duty on Cotton manufactures	2,30,93,000	2,19,17,000	1,87,34,000	1,88,15,000	1,50,00,000	1,75,00,000
29. Excise Duty on Motor Spirit	54,26,000	61,10,000	64,69,000	80,00,000	65,00,000	68,00,000
30. Excise Duty on Kerosene	...	...	92,32,000	90,90,000	98,00,000	98,00,000
31. Warehouse and wharf rents and Miscellaneous	71,77,000	8,46,000	4,79,000	10,00,000	5,22,000	8,38,000
TOTAL GROSS REVENUE	31,89,85,000	35,36,31,000	42,72,05,000	45,99,41,000	41,42,51,000	46,01,80,000
Deduct—Refunds	*92,18,000*	*95,33,000*	*1,37,40,000*	*90,00,000*	*1,00,98,000*	*99,98,000*
NET REVENUE	30,97,67,000	34,40,98,000	41,34,65,000	45,09,41,000	40,41,53,000	45,01,82,000
CHARGES.						
India	58,76,144	64,49,533	69,30,458	71,15,000	69,94,000	80,37,000
England	76,960	91,196	86,613	90,000	1,37,000	1,30,000
Exchange	...	46,903	44,929	45,000	62,000	56,000
TOTAL	59,53,104	65,87,632	70,62,000	72,50,000	71,98,000	82,23,000

6. The Revised estimate of Customs revenue in 1923-24 amounts to ₹40,41·53 lakhs or ₹4,67·88 lakhs less than the Budget estimate. Most of the tariff heads show a decrease in revenue, and the largest decreases occur under sugar (₹1,15 lakhs), cotton piece goods (₹73 lakhs), Railway plant and rolling stock (₹46 lakhs), cutlery, hardware, etc., (₹34·50 lakhs), iron and steel (₹29 lakhs), other metals (₹28·50 lakhs), other manufactured articles (₹30 lakhs), and the excise duty on cotton manufactures (₹38·15 lakhs). The only heads which show a material increase in revenue are the import duty on yarns and textile fabrics other than cotton manufactures (₹27 lakhs), and the export duty on jute (₹25·66 lakhs). *Revised, 1923-24.*

7. The decline in revenue under sugar was the result of insufficient allowance made in the Budget for the reduction in the tariff valuation which came into force from the 1st January 1923. The revenue from railway plant and rolling stock was affected by a decision of the Bombay High Court that stores imported by Railway Companies working State lines fall within the term "Government Stores" for the purpose of the proviso to section 20 of the Sea Customs Act VIII of 1878. An appeal has been preferred to the Privy Council against the decision, but pending the result of the appeal, the stores in question are being passed free of duty.

8. The imports of other articles have generally been satisfactory, but the collections of revenue in the case of articles which are subject to an *ad valorem* duty have declined in consequence of a fall in prices. The Bombay cotton mill industry passed through adverse conditions in the current year and the realisations from the excise duty on cotton manufactures have suffered in consequence.

9. The Budget estimate of Customs revenue in 1924-25 is placed at ₹45,01·82 lakhs or ₹4,60·29 lakhs more than the Revised estimate for the current year. Section 20 of the Sea Customs Act has been amended, so as to make Government stores liable to customs duties with effect from the 1st April 1924. Credit has therefore been taken in the Budget figures for next year for ₹1,63·50 lakhs on account of duty payable in respect of stores imported by Government inclusive of stores for state-worked and company-managed railways. The details of the credit of ₹1,63·50 lakhs are as follows:— *Budget, 1924-25.*

(i) Rs. 25 lakhs for Military Stores;

(ii) Rs. 1,10 lakhs for stores imported by State and Company-managed railways for Capital as well as Revenue purposes;

(iii) ₹6·50 lakhs for stores imported by other Departments of the Central Government; and

(iv) ₹22 lakhs for stores imported by Provincial Governments.

10. Items (i) and (iii) are set off by corresponding provision for expenditure in the estimates of the Departments concerned, and item (iv) by provision for assignments to be made to Provincial Governments to compensate them for the duty which they will pay to the Central Government in 1924-25. Item (ii) also involves corresponding expenditure by Railways partly on revenue and partly on capital account. In view of the financial objections to taking a credit to revenue by charge to capital, it is proposed to earmark for the avoidance of debt 11 lakhs representing the charge to capital for state-worked railways, the similar question in the case of company-managed railways being left for subsequent consideration.

11. Apart from the duty on Government stores inclusive of Railway stores, the Budget estimate for 1924-25 exceeds the Revised estimate for the current year by R3,40·79 lakhs. Allowance has been made for an improvement in trade conditions generally and under sugar for the increased tariff valuation which came into force from January 1924. The minor changes in the tariff included in the Finance Bill have no importance from the revenue point of view.

II AND 2.—TAXES ON INCOME.

REVENUE.

	Actuals, 1920-1921.	Actuals, 1921-1922.	Actuals, 1922-1923.	1923-1924. Budget.	1923-1924. Revised.	Budget, 1924-1925.
EXCESS PROFITS DUTY.	R	R	R	R	R	R
1. India	4,01,205	...	...	...	...	...
2. N.-W. Frontier	...	30,755	...	...	32,000	...
3. Madras	38,32,284	8,24,387	3,171	...	...	...
4. Bombay	61,58,826	11,21,569	99,676	...	68,000	...
5. Bengal	69,56,880	5,60,200	46,986	...	4,000	...
6. United Provinces	7,25,654	28,323	...	...	1,000	...
7. Punjab	4,23,648	51,453	...	...	13,000	...
8. Burma	2,85,277	...	...	...	...	...
9. Bihar and Orissa	30,726	13,881	...	...	...	...
10. Central Provinces	...	...	...	...	...	...
11. Assam	1,406	...	...	...	...	...
Total	1,88,15,906	26,30,568	1,50,033	...	1,18,000	...
SUPER-TAX.						
1. India	1,92,232	2,64,293	15,056	1,75,000	1,75,000	1,90,000
2. N.-W. Frontier	10,744	96,959	24,466	45,000	1,17,000	45,000
3. Madras	18,22,520	54,87,980	34,43,753	50,00,000	82,00,000	27,00,000
4. Bombay	1,88,02,642	3,80,66,807	3,58,31,880	2,78,86,000	1,99,64,000	1,39,58,000
5. Bengal	3,36,91,035	3,08,34,671	1,90,62,584	1,90,00,000	3,07,93,000	2,72,26,000
6. United Provinces	17,89,590	38,64,128	27,78,946	22,00,000	19,19,000	16,61,000
7. Punjab	9,39,808	10,06,091	10,24,217	10,23,000	10,86,000	8,12,000
8. Burma	47,15,451	56,21,222	59,08,474	60,00,000	51,00,000	70,46,000
9. Bihar and Orissa	9,07,194	10,63,880	16,49,096	12,28,000	12,38,000	21,51,000
10. Central Provinces	6,24,361	18,42,108	25,70,834	17,00,000	18,26,000	12,85,000
11. Assam	94,658	13,713	6,087	1,00,000	80,000	80,000
Total	6,55,90,235	8,76,61,852	7,23,15,293	6,38,57,000	6,54,98,000	5,71,54,000
INCOME-TAX.						
1. India General—						
Civil	18,99,806	25,73,782	31,41,107	29,63,000	31,72,000	31,50,000
Non-Civil Departments	53,15,471	62,43,377	62,61,412	63,14,000	59,26,000	58,76,000
2. Delhi	12,79,749	13,60,514	8,27,480	10,86,000	8,00,000	8,00,000
3. Baluchistan	42,282	48,153	85,617	62,000	83,000	83,000
4. North-West Frontier	5,24,026	5,22,787	9,86,960	7,17,000	11,62,000	11,79,000
5. Madras	1,39,94,480	1,51,91,114	1,32,11,878	1,50,01,000	1,55,00,000	1,47,00,000
6. Bombay	4,29,40,821	5,59,19,576	5,81,71,938	4,21,22,000	4,10,78,000	3,11,81,000
7. Bengal	4,33,27,376	4,36,23,020	3,19,68,701	2,90,00,000	4,17,28,000	4,13,03,000
8. United Provinces	70,57,656	90,67,961	84,47,341	83,14,000	69,47,000	71,53,000
9. Punjab	52,25,172	50,31,329	76,36,881	67,29,000	77,46,000	71,12,000
10. Burma	1,13,71,272	1,29,71,221	1,23,74,691	1,23,00,000	1,17,79,000	1,39,86,000
11. Bihar and Orissa	26,62,359	32,48,551	45,24,977	41,50,000	42,50,000	46,33,000
12. Central Provinces	29,01,463	41,66,582	45,52,645	35,96,000	40,50,000	38,10,000
13. Assam	9,80,404	8,86,404	9,81,540	12,24,000	13,24,000	15,00,000
Total	13,95,22,337	16,08,59,371	15,31,13,018	13,45,78,000	14,55,45,000	13,64,66,000
Gross Revenue from Taxes on income	22,19,28,478	25,11,51,791	22,55,78,344	19,84,35,000	21,11,71,000	19,36,20,000
Deduct—Refunds	*1,27,54,156*	*2,93,96,968*	*4,41,83,859*	*66,71,000*	*1,90,50,000*	*99,62,000*
NET REVENUE	20,91,74,322	22,17,54,823	18,13,94,485	19,17,64,000	19,21,11,000	18,36,58,000
Deduct—Share of Provincial Governments in Income-tax revenue under the Devolution Rules		*3,43,41,399* (a)	*14,53,335*	*13,00,000*	*13,66,000*	*14,61,000*
Revenue of the Central Government		18,74,13,424	17,99,41,150	19,04,64,000	19,07,45,000	18,21,97,000

(a) This is the amount which, under rule 15 of the Devolution Rules as it was in force in 1921-22, was credited to Provincial Governments as their share of income-tax revenue; they made, however, assignments to the Central Government amounting to R3,14,80,933 in consideration of the allocation of income-tax revenue; the net revenue which the Provincial Governments received in that year on account of income-tax thus amounted to R28,60,466.

EXPENDITURE.

	Actuals, 1920-1921.	Actuals, 1921-22.	Actuals, 1922-1923.	1923-1924.		Budget, 1924-1925.
				Budget.	Revised.	
	R	R	R	R	R	R
1. India General	43,884	51,467	6,81,252	10,00,000	1,02,000	20,000
2. Delhi	971		15,094	15,000	16,000	23,000
3. Baluchistan	...	...	6,202	14,000	11,000	13,000
4. North-West Frontier	18,325	22,511	53,004	62,000	62,000	60,000
5. Madras	3,48,722	3,30,627	4,77,082	6,86,000	15,89,000	10,03,000
6. Bombay	5,84,630	4,97,945	8,46,593	14,79,000	17,16,000	17,31,000
7. Bengal	3,11,468	2,87,409	5,21,739	7,87,000	6,60,000	9,20,000
18. United Provinces	3,72,169	3,63,044	5,61,572	6,49,000	5,87,000	6,97,000
9. Punjab	2,07,814	3,04,785	4,77,579	5,96,000	5,55,000	5,55,000
10. Burma	1,46,335	1,31,931	2,19,494	3,87,000	4,71,000	6,58,000
11. Bihar and Orissa	64,257	78,269	2,20,719	2,29,000	2,20,000	2,93,000
12. Central Provinces	82,480	1,53,508	3,00,938	3,71,000	3,42,000	3,90,000
13. Assam	5,295	5,327	13,510	12,000	1,15,000	90,000
Total	21,86,350	22,26,823	43,94,778	62,87,000	64,46,000	64,53,000
England	19,720	15,947	40,095	61,000	36,000	46,000
Exchange	...	8,202	21,263	31,000	16,000	20,000
TOTAL EXPENDITURE R	22,06,070	22,50,972	44,56,136	63,79,000	64,98,000	65,19,000
Distributed as follows—						
Payment to Provincial Governments	...	...	6,37,071	9,00,000	19,58,000	8,07,000
Direct expenditure of Central Government	22,06,070	22,50,972	38,19,065	54,79,000	45,40,000	57,12,000

REVENUE.

(i) *Excess Profits Duty.*

Revised, 1923-24. 12. The Revised estimate for the current year (Rs. 1·18 lakh) represents the collection of arrears thrown forward from previous years.

(ii) *Super-tax and Income-tax.*

13. The following table shows the distribution by provinces of the net revenue of the Central Government from super-tax and income-tax after

deducting refunds and the share payable to Provincial Governments under the Devolution Rules:—

(In lakhs of rupees).

	Actuals, 1922-23.	Budget, 1923-24.	Revised, 1923-24.	Budget, 1924-25.
	R	R	R	R
Madras	1,32	1,97	1,67	1,66
Bombay	7,85	6,60	5,26	4,35
Bengal	3,25	4,77	6,97	6,50
United Provinces	98	1,02	84	84
Punjab	70	72	71	72
Burma	1,55	1,75	1,37	1,32
Bihar and Orissa	56	46	50	62
Central Provinces	58	52	52	48
Assam	8	12	11	12
Minor Administrations and Non-Civil Departments	1,11	1,12	1,11	1,11
Total	17,98	19,05	19,06	18,22

14. The total Revised estimate of net Revenue for 1923-24 closely follows the Budget, a decline of ₹1,34 lakhs in Bombay due to the depressed condition of the cotton mill industry and smaller decreases in Madras (₹30 lakhs), Burma (₹38 lakhs) and the United Provinces (₹18 lakhs) being set off by an increase in Bengal (₹2,20 lakhs). *Revised 1923-24.*

15. The total Budget estimate for 1924-25 falls short of the Revised estimate for the current year by ₹84 lakhs. The collections in Bombay are expected to be less by ₹91 lakhs owing to the depressed condition of the mill industry, and in Bengal by ₹47 lakhs owing mainly to the current year's revenue including arrears; on the other hand, increases are expected in Burma (₹45 lakhs) and Bihar and Orissa (₹12 lakhs) from the collection of arrears thrown forward from the current year. *Budget, 1924-25.*

III AND 3.—SALT.

	Actuals, 1920-1921.	Actuals, 1921-1922.	Actuals. 1922-1923.	1923-1924.		Budget. 1924-1925.
				Budget.	Revised.	
	R	R	R	R	R	R
REVENUE.						
Northern India (*a*) . .	1,45,37,961	1,89,25,023	2,06,11,339	3,42,69,000	1,93,69,000	2,52,11,000
Madras (*a*) . . .	1,46,12,475	1,39,10,920	1,55,77,764	2,39,35,000	2,10,83,000	2,21,27,000
Bombay (*a*) . . .	2,13,17,341	1,25,87,566	1,52,80,467	2,75,31,000	2,26,12,000	1,77,16,000
Bengal (*b*)	1,40,10,216	1,56,42,365	1,84,96,244	2,70,40,000	1,91,48,000	2,30,49,000
Burma (*b*)	31,64,742	33,52,444	31,80,258	55,04,000	61,50,000	31,10,000
Bihar and Orissa . .	1,803	2,082	520	1,000	1,000	1,000
Assam	770	...	...	...	...	...
GROSS REVENUE .	6,76,45,308	6,44,19,800	7,31,46,592	11,83,00,000	8,83,63,000	9,12,14,000
Deduct—Refunds .	*57,65,495*	*9,81,952*	*49,00,480*	*8,00,000*	*13,36,000*	*7,52,000*
NET REVENUE .	6,18,79,813	6,34,37,848	6,82,46,112	11,75,00,000	8,70,27,000	9,04,62,000
CHARGES.						
Cost of salt purchased by Government . . .	17,85,146	21,16,621	17,76,320	23,62,000	22,73,000	17,54,000
Assignments and compensations . . .	38,55,408	36,84,990	40,09,267	39,11,000	37,48,000	37,20,000
Other charges . . .	75,05,377	97 34,977	92,62,067	90,93,000	81,65 000	89,42,000
Total India .	1,31,45,931	1,55,36,588	1,50,47,654	1,53,66,000	1,41,86 000	1,44,46,000
England	61,840	74,296	57,471	56,000	54,000	62,000
Exchange	...	38,212	31,022	28,000	25,000	27,000
TOTAL .	1,32,07,771	1,56,49,096	1,51,36,147	1,54,50,000	1,42,65,000	1,45,35,000
Total Issues Mds. .	4,66,71,000	4,78,31,000	5,44,00,000	5,80,00,000	3,80,00,000	5,60,00,000

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported salt.

REVENUE.

Revised, 1923-24.

16. The Revised estimate of net revenue falls short of the Budget by ₹3,04·73 lakhs; the decrease occurs in all provinces except Burma, but is largest in Northern India (₹1,49·20 lakhs). About 36 lakhs of maunds

were taken by traders in January and February 1923 in excess of the normal issue in these months in anticipation of an increase in duty from the 1st March 1923. In expectation of a reduction in duty from the 1st March 1924, the traders, especially in Northern India, have reduced their stocks as low as possible and restricted purchases to the minimum. The probable issues in the current year are accordingly not expected to exceed 3,80 lakhs of maunds, against a normal issue at the present time of about 4,95 lakhs of maunds. A further minor cause for the decrease in revenue is an expansion in the quantity issued on credit in Bengal in consequence of the increase in duty.

17. With effect from the 1st March 1924, the duty on salt imported into, and produced in, India has been reduced from ₹2-8 to ₹1-4 a maund. It is expected that there will be a rapid replenishment of stocks on account of the reduction of duty and the total issues of salt in 1924-25 are taken at 5,60 lakhs of maunds. Including sale proceeds of Government salt and other miscellaneous receipts and allowing for the operation of the credit system of sales in Bengal and Madras, the Budget estimate of net revenue in 1924-25 has been placed at ₹9,04·62 lakhs. *Budget, 1924-25.*

IV AND 4.—OPIUM

	Actuals, 1920-1921.	Actuals, 1921-1922.	Actuals, 1922-1923.	1923-1924.		Budget, 1924-1925.
				Budget.	Revised.	
	R	R	R	R	R	R
INDIA.						
Revenue—						
Sale of provision and medical opium	2,93,71,038	2,36,83,908	2,93,09,450	2,89,66,000	3,23,06,000	3,29,46,000
Excise opium and other revenue	59,70,196	70,41,284	85,83,042	1,03,47,000	1,07,59,000	1,04,15,000
GROSS REVENUE	3,53,41,234	3,07,25,192	3,78,92,492	3,93,13,000	4,30,65,000	4,33,61,000
Deduct—Refunds	*623*	*394*	*424*	*1,000*	*1,000*	*1,000*
NET REVENUE	3,53,40,611	3,07,24,798	3,78,92,068	3,93,12,000	4,30,64,000	4,33,60,000
Expenditure—						
Purchase of Opium (including payments to cultivators)	1,03,82,503	1,61,14,979	1,67,34,623	1,69,19,000	2,39,58,000	1,89,30,000
Other Charges	19,22,133	18,10,228	18,67,280	18,23,000	17,85,000	18,71,000
TOTAL INDIA	1,23,04,636	1,79,25,207	1,86,01,903	1,87,42,000	2,57,43,000	2,08,01,000
ENGLAND	70,550	52,605	38,462	59,000	69,000	75,000
Exchange	...	27,055	20,278	30,000	31,000	32,000
TOTAL	1,23,75,186	1,80,04,867	1,86,60,643	1,88,31,000	2,58,43,000	2,09,08,000

REVENUE.

(i) *Provision and Medical Opium.*

Revised, 1923-24. 18. The Budget estimate for 1923-24 provided for a revenue of R2,89·66 lakhs from the sale of about 7,450 chests for consumption outside India. Of this quantity of 2,500 chests were to be disposed of at the monthly auctions held at Calcutta, and the balance was to be supplied to the Foreign Governments with which agreements have been entered into for the direct supply of opium at fixed prices, the countries which at present take the largest supplies in this manner being the Straits Settlements, the Netherlands Indies and Siam. Owing to a slightly better demand for opium in the Far East than was anticipated in the Budget, 2,700 chests have so far been sold by auction and 250 chests are on offer for the sale in March. The average price realised during the year will amount to R4,520 a chest, and the proceeds from auction sales are estimated at R1,33·35 lakhs, or R20·85 lakhs higher than the Budget. Inclusive of direct supplies which will bring in R12·55 lakhs more than the Budget owing to increased

demands by some of the Foreign Governments, it is now estimated that 8,274 chests will be disposed of in the current year and that they will fetch a revenue ₹3,23·06 lakhs.

19. The Budget Estimate provides for revenue of ₹3,29·46 lakhs from the sale of provision opium, or ₹6·40 lakhs more than the Revised estimate for the current year. *Budget, 1924-25.*

(ii) Excise Opium and other revenue.

20. The Revised estimate for 1923-24 is more than the Budget by ₹4·12 lakhs owing mainly to an increase in consumption in the Punjab and to a special receipt of ₹3·64 lakhs in England for which the Budget did not provide. The Budget estimate for 1924-25 is less than the current year's Revised by ₹3·44 lakhs owing to the absence of the special receipt referred to above. Only the amount charged to Local Governments on account of the cost of production of opium consumed in India is credited under this head, the difference between the actual price of issue and the cost of production forming an item of excise revenue creditable to Provincial revenues in the case of the major provinces. *Revised, 1923-24. Budget, 1924-25.*

EXPENDITURE.

21. The Revised estimate for 1923-24 exceeds the Budget by ₹70·12 lakhs, owing to additional payments to cultivators in the United Provinces and in the Central India States in consequence of an increase in the outturn of the last crop. The Budget estimate for 1924-25 provides for payments to cultivators based on a normal outturn and is ₹49·35 lakhs less the current year's Revised. *Revised, 1923-24. Budget, 1924-25.*

XV, 17, 18 AND 56.—POSTS AND TELEGRAPHS.

	Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24.		Budget, 1924-25.
				Budget.	Revised.	
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.	R	R	R	R	R	R
GROSS RECEIPTS.						
INDIA.						
1. Postage and Message Revenue . . .	7,03,41,950	7,36,78,560	7,88,16,427	8,49,99,000	8,03,89,000	8,22,54,000
2. Commission on money orders . . .	1,83,76,585	1,05,90,485	1,03,73,687	1,08,00,000	1,06,00,000	1,09,00,000
3. Other Receipts . .	57,42,913	63,22,784	75,13,176	73,00,000	76,90,000	83,00,000
TOTAL GROSS RECEIPTS .	9,44,61,448	9,05,91,829	9,67,03,290	10,30,99,000	9,86,79,000	10,14,54,000
WORKING EXPENSES.						
INDIA.						
1. Establishment charges .	5,97,70,800	6,50,29,704	6,53,31,314	6,34,05,000	6,40,17,000	6,52,65,000
2. Stationery and Printing	31,46,054	42,85,441	20,15,749	27,21,000	21,75,000	21,29,000
3. Conveyance of mails .	1,00,51,774	1,09,92,055	1,10,30,863	1,06,83,000	1,07,69,000	1,26,84,000
4. Maintenance of Telegraph lines . .	39,90,662	45,75,648	54,52,201	48,62,000	54,10,000	64,01,000
5. Miscellaneous . .	11,05,551	12,95,088	17,27,722	12,78,000	35,85,000	4,46,000
6. Superannuation allowances and Pension .	...	...	...	...	30,00,000	30,00,000
TOTAL INDIA .	7,80,64,841	8,61,77,936	8,55,57,849	8,29,49,000	8,89,56,000	8,99,25,000
ENGLAND.						
1. Contribution to Eastern mail subsidy . .	...	...	...	...	2,20,000	2,20,000
2. Cost of Stamps . .	...	...	...	...	13,10,000	8,80,000
3. Other items . .	2,66,500	1,81,313	2,56,929	2,77,000	3,49,000	3,13,000
TOTAL ENGLAND .	2,66,500	1,81,313	2,56,929	2,77,000	18,79,000	14,13,000
EXCHANGE . . .	...	92,837	1,37,745	1,38,000	8,54,000	6,12,000
TOTAL WORKING EXPENSES .	7,83,31,341	8,64,52,086	8,59,52,523	8,33,64,000	9,16,89,000	9,19,50,000
NET RECEIPTS—INDIAN POSTAL AND TELEGRAPH DEPARTMENT.	1,61,30,107	41,39,743	1,07,50,767	1,97,35,000	69,90,000	95,04,000

	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1924-25.
EXPENDITURE CHARGED TO REVENUE.	R	R	R	R	R
INDIAN POSTAL AND TELEGRAPH DEPARTMENT—					
REVENUE ACCOUNT—					
INDIA.					
Interest on Debt	56,81,015	59,16,002	68,28,000	63,60,000	71,00,000
CAPITAL ACCOUNT (CHARGED TO REVENUE)—					
India	—36,49,820	—36,73,788	—40,24,000	—68,12,000	—1,12,81,000
England	98,65,571	38,14,852	25,00,000	15,00,000	17,70,000
Exchange	50,34,237	20,37,524	12,50,000	6,82,000	7,66,000
TOTAL	1,12,49,988	21,78,588	—11,74,000	—46,30,000	—87,45,000
TOTAL EXPENDITURE CHARGED TO REVENUE	1,69,31,003	80,94,590	56,54,000	17,30,000	—16,45,000
CAPITAL OUTLAY ON POSTS AND TELEGRAPHS. (NOT CHARGED TO REVENUE.)					
INDIAN POSTAL AND TELEGRAPH DEPARTMENT—					
1. Telegraph Lines	48,99,424	57,70,981	61,00,000	60,44,000	1,09,50,000
2. Telegraph Buildings	11,57,739	—11,76,435	12,30,000	11,50,000	23,70,000
3. Apparatus and Plant, etc.	21,04,454	19,67,460	21,00,000	24,71,000	20,83,000
4. Share of Establishment, etc., transferred from working expenses	...	...	...	...	19,92,000
TOTAL	81,61,617	65,62,006	94,30,000	96,65,000	1,73,95,000

	Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1924-25.
INDO-EUROPEAN TELEGRAPH DEPARTMENT.	R	R	R	R	R	R
GROSS RECEIPTS.						
INDIA.						
1. Message Revenue	16,28,207	27,68,199	23,26,002	24,00,000	25,25,000	34,00,000
2. Other Receipts	24,461	—5,169	—1,02,411	—2,96,000	20,000	25,000
TOTAL INDIA	16,52,668	27,63,030	22,23,591	21,04,000	25,45,000	34,25,000
ENGLAND.						
1. Message Revenue	15,00,695	14,44,588	14,87,892	10,00,000	20,000	20,000
2. Other Receipts	1,500	4,045	84,646	3,20,000	15,80,000	8,00,000
TOTAL ENGLAND	15,02,195	14,48,633	15,72,538	13,20,000	16,00,000	8,20,000
Exchange	...	6,99,509	8,15,058	6,60,000	7,27,000	8,55,000
TOTAL GROSS RECEIPTS	31,54,863	49,11,172	46,11,187	40,84,000	48,72,000	46,00,000
WORKING EXPENSES— INDIA AND ENGLAND.	26,29,510	33,78,752	30,98,450	29,58,000	33,24,000	33,38,000
Exchange	...	19,385	34,056	29,000	44,000	30,000
NET RECEIPTS—INDO-EUROPEAN TELEGRAPH DEPARTMENT	5,25,353	15,13,035	14,78,681	10,97,000	15,04,000	12,37,000

	Actuals, 1921-22.	Actuals, 1922-23.	1923-24.		Budget, 1924-25.
			Budget.	Revised.	
CAPITAL ACCOUNT CHARGED TO REVENUE.	R	R	R	R	R
INDO-EUROPEAN TELEGRAPH DEPARTMENT—					
India	—6,42,757	—5,87,360	—6,56,000	—3,63,000	—3,92,000
England	2,06,787	1,26,414	2,25,000	—72,000	6,53,000
Exchange	1,05,464	64,892	1,12,000	—33,000	2,84,000
TOTAL CAPITAL ACCOUNT CHARGED TO REVENUE	—3,30,506	—3,96,054	—3,19,000	—4,68,000	5,45,000

INDIAN POSTAL AND TELEGRAPH DEPARTMENT.

(a) Gross Receipts.

Revised, 1923-24. 22. The Revised Estimate for 1923-24 falls short of the Budget Estimate by Rs. 44·20 lakhs. The latter estimate was, however, based on the Revised of the previous year, which included erroneous adjustments of Rs. 22 lakhs provisionally made under this head. The estimate for the current year was therefore vitiated to this extent and the real deficit in the Revised estimate may be taken at Rs. 22 lakhs. This deficit is due mainly to continued trade depression, which is particularly shown in the falling off in the receipts for foreign telegrams. Diversion of traffic owing to the re-opening of the Indo—route to Europe and of the Aden—Colombo cable to the Far East is also responsible for a decline in receipts. Further, as a result of general retrenchment, there is a drop of Rs. 4 lakhs in receipts under service stamps. The total decrease would have been greater but-for larger realisations (Rs. 5·7 lakhs) on account of rent of telephones.

Budget, 1924-25 23. The estimate of revenue for 1924-25 provides for an increase of ₹27·75 lakhs over the Revised estimate for the current year. Allowance is made for normal growth and in expectation of improved trade conditions next year. Increased revenue will be received from the revised rates for insurance of postal articles in the inland post, from the enhancement of fees for purpose of Customs formalities on Foreign parcels, and from anticipated increases in the charges made to Railway and Canal Administrations for the maintenance of their lines.

(b) Working Expenses.

Revised, 1923-24. 24. The Budget for the current year was framed with reference to the recommendations of the Retrenchment Committee and was actually Rs. 64 lakhs less than the Revised estimate for 1922-23. The Revised estimate for the current year shows an increase of ₹83·25 lakhs which is mainly due to the transfer to this head of ₹72 lakhs in pursuance of the proposals for the commercialisation of the accounts. This adjustment includes ₹30 lakhs for the pensions of the staff hitherto charged under another head, ₹31 lakhs for the purpose of the stock of stamps and postal stationery lying with the Stamp Department, and an additional ₹11 lakhs due to certain extra charges connected with the annual indent for stamps, which were not hitherto charged to the Department. The remainder of the excess is due to essential expenditure on the maintenance

of lines damaged by cyclones in Madras and Burma, and also to the resumption of payments for the Eastern Mail Service on a greatly improved basis. It was also necessary to make extra allotments for conveyance of mails owing to insufficient provision.

25. The Budget for the ensuing year exceeds the Revised estimate of the current year by a little over Rs. 2½ lakhs. The main additional charges are: *Budget, 1924-25.*

(1) annual increments in the pay of the staff (Rs. 13 lakhs),

(2) increased charges made by railways for the haulage of mail vans (Rs. 12½ lakhs),

(3) increase in mail subsidies (Rs. 6¼ lakhs).

(4) additional provision for maintenance of lines (Rs. 10 lakhs), necessitated by protracted retrenchments in recent years. Part of this increase is due to the revenue portion of capital outlay on replacement of lines,

(5) provision for maintenance of post office buildings omitted in the current year as a measure of retrenchment (Rs. 5 lakhs). Delay in repairs only results in more rapid deterioration and heavier expenditure in the end. On the other hand, there are material reductions under " Miscellaneous " and " Purchase of stamps in England ", while credit is taken for the first time for services rendered by the Postal Department to other Departments of Government, the main items being ₹19¾ lakhs for savings bank work and ₹2½ lakhs for work in connection with cash certificates.

(c) *Interest on Debt.*

26. The Revised estimate for the current year is Rs. 4·68 lakhs less than the Budget owing to a revision of the rate of interest charged. The increase of over Rs. 7 lakhs in the estimate for 1924-25 is due to the heavier capital outlay anticipated for that year.

(d) *Capital account charged to Revenue.*

27. India.—The expenditure in India under this head is mainly on account of post office buildings and purchase of stores in India. So far as stores are concerned, this is a suspense head and, when stores are issued from accumulated stock either to capital or revenue works or are sold to other Departments, this head naturally receives credit for their value as it has borne the expenditure in the past. The *minus* figure which generally appears under this head is due to the fact that the value of stores issued from the stock balance is greater than the outlay on fresh stores and on buildings. The credit has increased in the current year from ₹49·24 lakhs in the Budget to 68·12 lakhs in the Revised, due to reduced expenditure on stores in India (₹5 lakhs) and to increased credits on account of larger issues of stores (₹12 lakhs). For 1924-25, the credit is increased to ₹1,12·8 lakhs mainly due to anticipated larger issue of stores on an expanded programme of works and to the transfer to the head ' Capital not charged to revenue ' of the share of establishment charges debitable to Capital works. A provision of ₹3·70 lakhs has been made for the first time under this head for customs duty on imported stores. *Revised, 1923-24.* *Budget, 1924-25.*

28. England.—The expenditure under this head in the Revised is lower than the Budget by ₹15½ lakhs owing to economies in the purchase of stores. Provision for 1924-25 shows an increase of about ₹3 lakhs only on account of purchase of special stores.

(e) Capital outlay not charged to Revenue.

29. The Revised estimate exceeds the Budget Estimate of 1923-24 by ₹2·35 lakhs only, mainly on account of new works in Delhi. The Budget for 1924-25 is approximately ₹1,74 lakhs of which ₹20 lakhs represents the cost of establishment engaged on capital works now debited for the first time to this head. The increased provision for telegraph buildings includes ₹7 lakhs for works in New Delhi. Under Telegraph Lines larger provision is made for the increased requirements of Railway and Canal Administrations.

INDO-EUROPEAN TELEGRAPH DEPARTMENT.

(a) Gross Receipts.

30. The Revised estimate indicates an improvement of ₹7·88 lakhs mainly due to increased receipts on the common purse account. The Budget for 1924-25 is less than the Revised for the current year by ₹2·72 lakhs and takes into account the full effect of diversion of traffic by the Indo-route.

(b) Working expenses.

31. The Revised estimate shows an increase of ₹3·8 lakhs over the budget for the current year, of which approximately ₹2 lakhs is due to the inclusion under this head of accumulated arrears of expenditure on the maintenance of the Meshed-Seistan line. Provision is also made for the first time for pensions of the staff. The Budget for 1924-25 shows no material variation from the Revised.

(c) Capital outlay charged to Revenue.

32. The *minus* figures under this head are due to the fact that actual capital outlay is less than deductions made from the capital account for payments received on account of cost of construction of certain lines in Persia and for amortization of the value of certain lines, which may be returned to the Persian Government after lapse of the agreement in 1945. Increased expenditure provided for 1924-25 is mainly due to the provision of ₹7·18 lakhs for the purchase of a new cable ship to replace the existing ship which has been condemned as unseaworthy.

XVI.—INTEREST RECEIPTS

	Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24.		Budget, 1924-25.
				Budget.	Revised.	
	R	R	R	R	R	R
INDIA.						
1. Interest on loans and advances by the Central Government	35,97,716	35,21,554	35,55,304	34,35,000	34,42,000	34,07,000
2. Interest on overdrawn Capital of Railway Companies in India	36,277	37,107	54,490	87,000	88,000	88,000
3. Interest on advances to Railway Companies charged to Capital	1,24,560	4,51,974	8,32,283	10,60,000	10,09,000	14,95,000
4. Interest on Securities of Railway Companies' Provident Funds	27,71,767	30,95,271	44,00,462	35,29,000	35,29,000	34,26,000
5. Gain from purchase of Government of India securities for Depreciation Fund at less than nominal value	...	...	...	...	4,00,000	9,00,000
6. Miscellaneous items	1,06,192	2,05,763	91,488	1,13,000	91,000	94,000
TOTAL INDIA	66,36,512	73,11,669	89,34,027	81,74,000	85,09,000	93,60,000
ENGLAND.						
1. Interest realised from investment of Cash Balances, etc.	21,03,110	25,02,143	17,40,666	6,98,000	(39,18,000	14,05,000
2. Assets of Gold Standard Reserve in excess of £40 millions	...	...	...	1,05,83,000	1,25,24,000	1,42,04,000
TOTAL	21,03,110	25,02,143	17,40,666	1,12,81,000	1,64,42,000	1,56,09,000
EXCHANGE	...	12,86,888	8,96,003	56,41,000	74,74,000	67,56,000
TOTAL RECEIPTS	87,39,622	1,11,00,700	1,15,70,696	2,50,96,000	3,24,25,000	3,17,25,000
Loans by the Central Government outstanding on 31st March	9,08,72,250	9,10,19,482	8,89,77,144	8,84,53,485	8,69,33,144	8,62,63,144

India.

33 When securities of the 5 per cent. War Loan 1929-47 and the 5 per cent. Income-tax Free Loan 1945-55 are purchased out of depreciation funds and cancelled, the full nominal value of the securities has hitherto

been charged off as Permanent Debt discharged by *per contra* credit to a miscellaneous deposit head. With effect from the current year, only the purchase price of the securities will be credited to the deposit head, the difference between this and the nominal price being credited as revenue. The current year's Revised and next year's Budget estimates accordingly include ₹4 lakhs and ₹9 lakhs respectively on this account.

England.

Revised, 1923-24. 34. Owing to the earlier issue of the sterling loan during the current year, an increase in the amount of the loan, and earlier remittances from India, the cash balances of the Secretary of State available for investment have been higher than anticipated in the Budget. There has also been an appreciation in the rate of discount on British treasury bills. The increase in the assets of the Gold Standard Reserve in excess of £40 millions is due to the cause last mentioned and to the purchase of certain short-term securities which offer a higher yield than treasury bills. The Home treasury balances are expected to be smaller in 1924-25, but the interest on scurities held in the Gold Standard Reserve will be larger, the net result being a decrease of ₹15·51 lakhs in the Budget for that year as compared with the current year's Revised. As in the current year, it is proposed to credit to revenue next year also the assets of the Gold Standard Reserve in excess of £40 millions, and the Budget for 1924-25 includes a credit of ₹1,42·04 lakhs on this account, exclusive of exchange, or a total credit inclusive of exchange of ₹2,03·52 lakhs.

Budget, 1924-25.

19 AND 20—INTEREST EXPENDITURE AND 21.—REDUCTION OR AVOIDANCE OF DEBT.

—	Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1923-24.
	R	R	R	R	R	R
Interest on Debt other than that charged to Commercial Departments and Provincial Governments—						
Interest on total Debt—						
1. India	17,88,14,392	19,05,17,484	17,66,53,811	20,29,30,000	19,22,00,000	20,00,00,000
2. England	6,61,56,260	7,23,92,711	8,65,97,278	10,04,95,000	10,27,16,000	10,48,90,000
3. Exchange	...	3,70,80,095	4,55,69,437	5,02,48,000	4,66,89,000	4,54,00,000
Total	24,49,70,652	29,99,90,290	30,88,20,526	35,36,73,000	34,16,05,000	35,02,90,000
Deduct—Amounts charged to—						
(a) Railways:						
(i) India	*8,80,51,408*	*9,22,00,832*	*9,83,68,192*	*12,16,05,000*	*11,05,44,000*	*12,41,63,000*
(ii) England	*3,77,48,700*	*4,24,61,280*	*4,24,28,620*	*4,41,23,000*	*4,34,87,000*	*4,59,97,000*
(iii) Exchange	...	*2,16,85,936*	*2,26,50,557*	*2,20,62,000*	*1,97,67,000*	*1,99,09,000*
	12,58,00,108	*15,63,48,048*	*16,34,47,349*	*18,77,90,000*	*17,37,98,000*	*19,00,69,000*
(b) Irrigation:						
(i) India	*9,25,348*	*12,18,481*	*12,18,882*	*10,88,000*	*12,33,000*	*12,41,000*
(ii) England	*51,000*	...	...	...	...	...
	9,76,348	*12,18,481*	*12,18,882*	*10,88,000*	*12,33,000*	*12,41,000*
(c) Posts and Telegraphs.	...	*56,81,015*	*59,16,002*	*68,28,000*	*63,60,000*	*71,00,000*
(d) Provincial Governments	*2,81,76,443*	*2,58,41,800*	*3,02,00,692*	*4,00,15,000*	*3,74,90,000*	*4,46,08,000*
Total deduction	*15,49,52,899*	*18,90,89,344*	*20,07,82,925*	*23,57,21,000*	*21,88,81,000*	*24,30,18,000*
Interest on Ordinary Debt.	9,00,17,753	11,09,00,946	10,80,37,601	11,79,52,000	12,27,24,000	10,72,72,000
Interest on other Obligations—						
1. India—						
On Savings Bank Balances	1,73,17,939	2,17,99,453	2,21,36,336	2,43,13,000	2,40,78,000	2,66,82,000
Other items	42,31,496	42,98,044	84,82,701	77,94,000	67,76,000	96,24,000
	2,15,49,435	2,60,97,497	3,06,19,037	3,21,07,000	3,08,54,000	3,63,06,000
2. England	...	...	51,360	36,000	76,000	70,000
3. Exchange	...	...	25,231	18,000	35,000	30,000
TOTAL	2,15,49,435	2,60,97,497	3,06,95,628	3,21,61,000	3,09,65,000	3,64,06,000
Carried over	11,15,67,188	13,69,98,443	13,87,33,229	15,01,13,000	15,36,89,000	14,36,78,000

19 AND 20—INTEREST EXPENDITURE AND 21.—REDUCTION OR AVOIDANCE OF DEBT—*contd.*

—	Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1923-24.
	R	R	R	R	R	R
Brought forward .	11,15,67,188	13,69,98,443	13,87,33,229	15,01,13,000	15,36,89,000	14,36,78,000
Reduction or Avoidance of Debt—						
1. India	73,00,000	1,54,00,000	1,54,00,000	1,54,00,000	73,61,000	99,31,000
2. England . . .	50,00,000	50,00,000	50,00,000	44,29,000	44,26,000	2,06,88,000
3. Exchange . . .	...	25,71,571	24,56,311	22,15,000	20,12,000	89,54,000
TOTAL .	1,23,00,000	2,29,71,571	2,28,56,311	2,20,44,000	1,37,99,000	3,95,73,000
TOTAL .	12,38,67,188	15,99,70,014	16,15,89,540	17,21,57,000	16,74,88,000	18,32,51,000
Debt outstanding on 31st March—	£	£	£	£	£	£
Sterling Debt . . .	191,329,245	205,128,482	242,631,497	251,820,282	260,789,797	279,475,297
Rupee Debt—						
Permanent Debt—	R	R	R	R	R	R
New Loan . . .	...	...	...	25,00,00,000	...	20,00,00,000
6 per cent. Bonds .	29,35,34,700	78,48,75,900	1,25,35,96,700	1,25,35,50,900	1,25,35,98,700	1,25,35,98,700
5½ per cent. War Bonds . . .	58,67,75,410	38,54,40,950	30,74,91,125	29,31,35,400	29,31,58,125	29,19,58,125
5 per cent. debt . .	45,28,51,700	43,48,64,175	41,57,00,875	39,80,20,175	65,13,40,875	63,79,47,875
4 per cent. ,, .	17,24,87,200	17,12,87,200	14,81,19,900	11,94,01,200	12,09,19,900	11,87,19,900
3½ per cent. ,, . .	1,19,12,88,891	1,19,18,45,533	1,19,23,13,257	1,19,28,27,533	1,19,35,10,257	1,19,41,10,257
3 per cent. ,, . .	6,55,80,050	6,49,05,450	6,43,56,250	6,37,55,450	6,29,56,250	6,22,56,250
Other debt . . .	1,00,13,500	1,83,10,938	1,67,42,138	1,00,18,488	1,31,42,138	1,20,42,138
Treasury Bills—						
Issued to public . .	43,67,10,000	53,96,70,000	21,58,90,000	15,55,70,000	2,13,00,000	...
Issued to Paper Currency Reserve . .	61,26,00,000	57,89,00,000	49,65,00,000	49,65,00,000	49,65,00,000	49,65,00,000
Post Office Savings Bank deposits	22,86,36,172	22,26,82,895	23,00,03,556	24,89,29,895	24,76,93,556	26,48,93,556
Post Office Cash Certificates	4,77,78,756	4,34,35,524	3,12,88,795	2,65,35,524	8,38,88,795	9,88,88,795
Provident Funds and other Unfunded Debt . .	27,31,48,731	32,99,24,328	36,23,52,937	40,10,08,328	39,97,29,937	44,27,80,937

INTEREST ON ORDINARY DEBT.

35. The gross charges for interest on debt in the Revised estimate for 1923-24 show a saving of Rs. 1,20·68 lakhs as compared with the Budget, or Rs.73·99 lakhs if allowance is made for the difference due to the adoption of a rate of exchange of 1*s.* 4½*d.* per rupee against 1*s.* 4*d.* in the Budget. There has been a substantial saving on the Budget provision for discount on treasury bills as, owing to the improvement in the ways and means position, it has been possible to reduce the amount of bills outstanding with the public from Rs. 21·59 crores on the 31st March 1923 to Rs. 2·13 crores on the 31st March 1924. There has also been a saving in the charges for new loans owing to the favourable rate at which the current year's rupee loan was issued. On the other hand, there has been a small excess in the charges for new sterling loans owing to a loan of £18 millions having been raised in London against £15 millions budgeted for. *Revised, 1923-24*

36. In the Budget for 1924-25 provision has been made for a full year's interest on the rupee and sterling loans raised in the current year. A sum of Rs. 50 lakhs has been set aside for the service of a new rupee loan and Rs. 2,30 lakhs for discount on replacement of the Indian treasury bills held in the Paper Currency Reserve. It is not anticipated that it will be necessary during 1924-25 either to sell treasury bills to the public or to raise a sterling loan and the Budget does not therefore include any provision on these accounts. Provision has been entered in England for the dividends due on the undischarged balance of India's share of the British war debt. *Budget, 1924-25.*

37. Owing to the current year's rupee loan having been issued at a discount the actual receipts fall short of the debt created by Rs. 81·72 lakhs. On the analogy of the procedure followed in connection with the sterling loans raised during the last three years, the charge to revenue in respect of this difference will be spread over the period of currency of the loans by the establishment of a discount sinking fund. The first payments under this procedure will fall due during 1924-25 and a provision of Rs. 4·40 lakhs is included on this account in the Budget for that year.

38. The amount of interest transferred to the accounts of the commercial departments depends, firstly, on the capital expenditure; secondly, on the actual payment of interest on that portion of the debt which has been incurred specifically on account of the construction or purchase of Railways; and, thirdly, on the rate at which interest is charged on that portion of the debt which has not been specifically raised for the above or other purpose. The present procedure is to charge to railways, posts and telegraphs and irrigation works, in respect of that portion of the debt which has not been incurred specifically for these works, interest on capital expenditure incurred to the end of 1916-17 at the rate of interest specified in the Devolution Rules and interest on capital outlay in subsequent years at the average rate paid on borrowings in that period. The variation in the amount of interest to be transferred to railways and posts and telegraphs in the Revised estimates of the current year as compared with the Budget figures is the result of fluctuations in the rates of interest and in the capital outlay on which the interest is calculated. The increase in the Budget estimate of 1924-25 is almost wholly due to the progress of the capital expenditure. *Transfers to Commercial Departments* *Revised, 1923-24.* *Budget, 1924-25.*

39. The decrease in recoveries from Provincial Governments in the Revised estimates for the current year follows on a reduction in the loans actually taken by them. The Budget estimate allows for a full year's interest on the loans granted to them by the Central Government during the current year. *Transfers to Provincial Governments.*

INTEREST ON OTHER OBLIGATIONS.

Revised, 1923-24. 40. The encashment of Post Office Cash Certificates has not been on the scale, anticipated and the payment of bonus will therefore be Rs. 6 lakhs less than the Budget for the current year. There will also be a decrease of Rs. 1·08 lakhs in interest on Post Office Savings Bank deposits and of about Rs. 7 lakhs in the interest on provident fund balances. The above savings will be partly set off by an increase of Rs. 1·87 lakhs in the interest payable to Provincial Governments on the balances of their Famine Insurance Funds. The Budget for 1924-25 includes increased provision for *Budget, 1924-25.* interest on larger balances of provident fund and other accounts, for payments of bonus on Post Office Cash Certificates (Rs. 2 lakhs), and for interests on the Famine Insurance Fund balances of Provincial Governments (Rs. 4·41 lakhs).

41. In pursuance of the policy of commercialization of the accounts of the Posts and Telegraphs Department, credit has to be afforded to that Department for work done by it in connection with savings banks and cash certificates. The Budget for 1924-25 accordingly provides for payments of ₹19·75 lakhs and ₹2·58 lakhs respectively on the above accounts.

REDUCTION OR AVOIDANCE OF DEBT.

Revised 1923-24, 42. Owing to the improved state of the Government securities market it has been unnecessary to use any portion of the additional provision of ₹80 lakhs made since 1921-22 for the purpose of supporting the two long-term 5 per cent. rupee loans. The Revised estimate thus includes only the obligatory depreciation funds instituted in respect of these loans and the sinking fund charge relating to the liability assumed by India in respect of the British War debt.

Budget, 1924-25. 43. The Budget for 1924-25 includes an additional provision of ₹14·70 lakhs for the depreciation fund required for the for further issue of the 5 per cent. tax-free rupee loan in 1923-24 and a new provision of ₹11 lakhs for avoidance of debt, being the equivalent of the customs duty collected from State Railways on stores imported by them for capital purposes (*vide* paragraph 10). In pursuance of the scheme of Debt. Redemption, general revenues will bear the charges hitherto borne by railway revenues on account of railway sinking funds and the capital portion of the annuities in purchase of railways. The Budget estimate for 1924-25 includes £345,100 and £1,259,000 respectively for these charges.

44. Reckoning exchange at 1s. 4d., the total provision for reduction or avoidance of debt in the Budget for 1924-25 amounts to ₹4,09·63 lakhs, or ₹3,98·63 lakhs if the provision for avoidance of debt in respect of the customs duty on state railway capital stores is excluded. The latter sum is distributed as follows:—

		(₹ lakhs).
Depreciation Fund 5 per cent. long-term rupees loans		88·31
Annual instalment in repayment of War contribution	£454,700	
Railway sinking funds and capital portion of Railway Annuities	£1,604,100	
	£2,058,800	=3,10·32
		3,98·63

29.—POLITICAL.

	Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24.		Budget, 1924-25.
				Budget.	Revised.	
	₹	₹	₹	₹	₹	₹
India General . . .	2,07,60,998	19,61,412	76,19,921	65,79,000	65,71,000	67,47,000
Delhi	580	520	700	1,000	1,000	1,000
Baluchistan . .	36,56,704	37,50,391	40,26,553	40,64,000	41,45,000	42,06,000
North-West Frontier . .	45,91,492	50,95,749	78,52,254	99,34,000	91,23,000	98,92,000
Madras	1,33,889	1,81,301	1,44,798	1,64,000	1,63,000	1,56,000
Bombay	12,87,515	12,51,248	10,91,996	12,25,000	10,62,000	13,02,000
Bengal	34,916	21,905	22,915	17,000	22,000	28,000
United Provinces . .	1,78,333	1,93,651	1,99,448	2,01,000	2,91,000	2,58,000
Punjab	6,53,398	6,69,248	6,88,191	6,54,000	8,30,000	8,07,000
Burma	14,99,710	62,83,962	59,54,261	59,00,000	57,16,000	60,74,000
Bihar and Orissa . .	81,560	90,230	83,307	93,000	95,000	95,000
Central Provinces . .	44,307	40,045	39,694	1,27,000	38,000	43,000
Assam	3,84,096	17,80,389	17,56,938	18,24,000	23,53,000	19,64,000
Total .	3,33,07,498	2,13,20,046	2,94,71,976	3,07,83,000	3,04,10,000	3,15,73,000
England .	9,80,370	8,20,122	5,86,237	4,72,000	—3,89,000	4,67,000
Exchange .	...	4,21,801	3,10,466	2,36,000	—1,77,000	2,02,000
Total .	3,42,87,868	2,25,61,969	3,03,68,679	3,14,91,000	2,98,44,000	3,22,42,000

45. There is a saving of ₹8·11 lakhs in the North-West Frontier Province owing to the full strength of the additional units and companies for which provision was made in the Budget not having been entertained. The saving in England is due to recoveries found to be due to Indian revenues on an examination of the past accounts of diplomatic and consular expenditure. The Budget for 1924-25 provides for the full sanctioned strength of establishments.

Revised, 1923-24.

Budget, 1924-25.

XXVII AND 38.—CURRENCY.

	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1924-25.
	₹	₹	₹	₹	₹
REVENUE.					
India	3,60,90,284	3,12,08,339	2,59,40,000	2,73,37,000	2,97,41,000
England	40,69,643	14,70,102	3,30,000	14,57,000	34,88,000
Exchange	20,93,075	8,30,279	1,65,000	6,63,000	15,10,000
TOTAL REVENUE .	4,22,53,002	3,35,08,720	2,64,35,000	2,94,57,000	3,47,39,000
EXPENDITURE.					
India	27,84,437	27,56,168	30,39,000	30,80,000	29,98,000
England	41,54,075	39,18,338	43,00,000	41,06,000	21,97,000
Exchange	21,36,500	20,39,700	21,50,000	18,66,000	9,51,000
TOTAL EXPENDITURE .	90,75,012	87,14,206	94,89,000	90,52,000	61,46,000

REVENUE.

India.

Budget, 1924-25. 46. The increase of ₹24·04 lakhs in revenue in the Budget for 1924-25 as compared with the Revised estimate for the current year is due mainly to the interest on the larger loans made from the Paper Currency Reserve against internal bills of exchange. It is proposed, as in the current year, to credit to revenue the interest on investments of the Paper Currency Reserve during the next year also.

England.

47. The increase of £112,700 in the Revised estimate for the current year as compared with the Budget and the further increase of £203,100 in the Budget for 1924-25 relates to the interest on British Treasury bills to the value of £14 millions purchased for the Paper Currency Reserve in the latter half of the current year—see paragrpah 76.

EXPENDITURE.

Budget., 1924-25. 48. The large decrease of £190,900 in the Budget estimate for 1924-25 as compared with the Revised estimate for the current year is due to the contemplated discontinuance of the printing of the one rupee note.

EXCHANGE.

49. Since the 1st April 1920, the accounts have been prepared on the basis of the rate of 2*s*. per rupee for the conversion of rupee transactions into sterling and *vice versa*. The sterling value of the rupee has however stood at a lower level in recent years, the average rate for the current year being expected to work out at 1*s*. 4$\frac{1}{2}$*d*. In consequence of this variation from the 2*s*. rate, large sums have to be brought to account as credits or debits on account of exchange in respect of transactions involving remittances of funds to and from the Secretary of State.

50. The following table shows the debits for exchange in respect of remittance and allied transactions which are expected to be brought to account in the current and next years, the estimates for next year being based on the assumption of an average rate of exchange of 1*s*. 4$\frac{3}{4}$*d*. during the year:—

	(In lakhs of Rupees.) 1923-24.	1924-25.
(*i*) Remittances from India for financing the Home Treasury	12,89	11,25
(*ii*) Bills and telegraphic transfers drawn by Mesopotamia for payment in India against recoveries in England	1,11	1,11
(*iii*) Sterling money order and other miscellaneous transactions	93	1,01
Total	14,93	13,37

51. The procedure for the allocation of exchange gains and losses is as follows. All exchange gains and losses arising in respect of remittance transactions are recorded in the first instance under a suspense head; the portion attributable to the revenue and capital accounts in respect of outlay incurred in England is calculated every month on the basis of the average of the daily telegraphic transfer rates from Calcutta on London and transferred to these accounts, and the portion relating to expenditure of Provincial Governments is similarly debited to the Provincial Governments concerned; and it is considered with reference to the circumstances of each year whether the balance remaining under the suspense head after these transfers are made should be written off to revenue or kept in suspense against the possibility of opposite results in succeeding years.

52. Excluding a book adjustment in connection with the liabilities to be taken over by the Secretary of State on the expiry of the contract with the East Indian Railway Company, the following table shows amounts chargeable to the revenue, capital and other heads during the current and next years on account of losses from exchange and the balance remaining under the suspense head after such allocation:—

	(In lakhs of Rupees.) 1923-24.	1924-25.
Transferred to—		
Capital heads (Railways and Delhi)	5,23	5,22
Provincial Governments	95	1,32
Revenue account (net as detailed in statements A and B)	12,04	12,23
Total transfers	18,25	18,77
Appropriation of loss to revenue and capital in excess of actual loss on remittances	3,32	5,40
Net credit under suspense head for two years together	8,72	

53. Taking into account a credit of ₹5,47 lakhs which remained outstanding under the suspense head at the end of 1922-23, it is expected that there will be an outstanding credit balance of ₹8,79 lakhs at the end of 1923-24 awaiting clearance in subsequent years. The estimates for 1924-25 are subject to variation with reference to the actual remittance programme of the year.

XXXV AND 47—MISCELLANEOUS.

—	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1924-25.
	₹	₹	₹	₹	₹
REVENUE.					
India	(a) 5,87,31,804	5,88,047	3,64,000	—1,28,000	5,03,000
England	62,56,334	7,03,508	5,14,000	1,96,38,000	20,29,000
Exchange	32,17,721	3,85,430	2,57,000	89,26,000	8,78,000
TOTAL REVENUE .	6,82,05,859	16,76,985	11,35,000	2,84,36,000	34,10,000
EXPENDITURE.					
India	69,07,930	48,14,104	57,89,000	51,24,000	75,50,000
England	22,09,759	12,98,060	13,98,000	16,01,000	23,10,000
Exchange	11,36,510	6,89,908	6,99,000	7,28,000	10,00,000
TOTAL EXPENDITURE .	1,02,54,199	68,02,072	78,86,000	74,53,000	1,08,60,000

(a) Includes ₹5,63,91,517 on account of "freight tax". It was replaced from 1922-23 by increased railway rates.

REVENUE.

Revised, 1923-24.

54. The Revised estimate for 1923-24 in England includes a credit of £1,675,000 equivalent at 1s. 4½d. to ₹2,43,·63 lakhs out of the windfall of £3¼ million from the profit from the control of enemy ships—see paragraph 3; as well as a further credit of £257,000 (equivalent at 1*s.* 4½*d.* to 37 lakhs) on account of the profit from the sale of £2 millions of gold from the Paper Currency Reserve against payment in sterling in England.

Budget, 1924-25.

55. The Budget estimate for 1924-25 in England includes a credit of £175,000 out of the windfall mentioned above, but it is set off by a provision of 25 lakhs on the Indian side of the expenditure estimates for payment of *ex gratia* compensation to private individuals who suffered from enemy action during the war.

XXXVI AND 48.—ARMY.

—	Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	1924-25. Budget.
	R	R	R	R	R	R
EXPENDITURE.						
India—						
Part A—Standing Army.						
Effective Services.						
Maintenance of the Standing Army.	67,53,52,602	31,54,57,826	30,29,54,305	31,30,55,530	29,11,48,000	28,40,46,320
Cost of Educational, etc., establishments and working expenses of Hospitals, Depots, etc.		11,86,56,841	9,40,68,632	8,72,92,700	9,24,52,000	8,27,19,750
Army Headquarters, Staff of Commands, etc.		2,50,64,010	2,14,89,704	2,02,82,720	2,04,03,000	2,05,19,510
Stock Account . . .		—7,32,55,962	—2,98,64,230	—3,11,41,500	—3,54,99,000	—1,47,38,490
Special Services . .		8,40,35,980	5,45,82,360	1,42,11,580	2,16,41,000	57,94,780
Miscellaneous Charges .		1,09,57,648	1,94,78,050	1,85,64,970	1,33,75,000	1,33,86,130
Unadjusted Expenditure .	35,45,549	15,30,802	—24,84,020	...	...	...
TOTAL—*EFFECTIVE* R	67,88,98,151	48,24,47,145	46,01,74,801	42,22,66,000	40,35,20,000	39,67,28,000
NON-EFFECTIVE SERVICES—						
Non-effective charges . R	2,48,11,966	3,65,55,901	5,92,75,452	5,48,27,000	5,64,97,000	5,38,86,000
Exchange on Home expenditure.	5,45,96,910	5,96,05,751	...	...	...	...
Part B.—Auxiliary and Territorial Forces—						
Effective . . . R	...	69,40,941	95,45,770	1,07,54,000	1,01,87,000	1,11,95,000
Part C.—Royal Air Force . Effective R	...	71,28,591	1,10,55,114	1,34,54,000	1,32,58,000	1,29,97,000
Part C.—Royal Air Force . Non-effective R	...	...	...	...	62,000	5,000
R	...	71,28,591	1,10,55,114	1,34,54,000	1,33,20,000	1,30,02,000
TOTAL INDIA Effective R	73,34,95,061	55,61,22,428	48,07,75,685	44,64,74,000	42,69,65,000	42,09,20,000
TOTAL INDIA Non-Effective R	2,48,11,966	3,65,55,901	5,92,75,452	5,48,27,000	5,65,59,000	5,38,91,000
	75,83,07,027	59,26,78,329	54,00,51,137	50,13,01,000	48,35,24,000	47,48,11,000
EXPENDITURE.	£	£	£	£	£	£
England—						
Part A—Standing Army.						
Effective Services.						
Maintenance of the Standing Army.	3,223,355	4,051,609	3,196,815	2,937,500	2,973,500	2,694,500
Cost of Educational, etc., establishments and working expenses of Hospitals, Depots, etc.	165,179	669,788	2,35,000	191,700	252,600	196,500
Army Headquarters, Staff of Commands, etc.	...	2,598	51,168	51,000	42,000	42,000
Stock Account . . .	2,395,847	2,011,176	1,813,415	1,441,300	1,160,500	1,575,900
Carried over . £	5,784,381	6,735,081	5,296,398	4,621,500	4,428,600	4,508,900
Carried over . R	75,83,07,027	59,26,78,329	54,00,51,137	50,13,01,000	48,35,24,000	47,48,11,000

XXXVI AND 48 —ARMY—*contd.*

		Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1924-25.
Brought forward	R	75,83,07,027	59,26,78,329	54,00,51,187	50,13,01,000	48,35,24,000	47,48,11,000
	£	5,784,381	6,785,081	5,296,398	4,621,500	4,428,600	4,708,900
Special Services	£	899,104	241,184	453,622	415,000	800,000	1,050,000
Miscellaneous Charges	£	1,049,752	930,082	740,124	633,500	728,800	638,000
TOTAL—*EFFECTIVE*	£	7,733,237	7,906,347	6,490,144	5,670,000	5,957,400	6,196,900
NON-EFFECTIVE SERVICES— Non-effective charges	£	3,186,145	3,836,836	3,422,486	3,563,000	3,624,800	3,748,200
Part C.—Royal Air Force— (Effective).	£	...	346,183	788,271	486,500	570,600	454,800
TOTAL ENGLAND	£	10,919,382	11,589,366	10,700,901	9,719,500	10,152,800	10,399,900
	R	10,91,93,820	11,58,93,655	10,70,09,013	9,71,95,000	10,15,28,000	10,39,99,000
TOTAL—EXPENDITURE Effective	R	81,08,27,436	63,86,47,725	55,35,59,841	50,80,39,000	49,22,45,000	48,74,37,000
TOTAL—EXPENDITURE Non-Effective	R	5,66,73,411	6,99,24,259	9,35,00,309	9,04,57,000	9,28,07,000	9,13,73,000
	R	86,75,00,847	70,85,71,984	64,70,60,150	59,84,96,000	58,50,52,000	57,88,10,000
RECEIPTS.							
India Effective	R	5,26,17,669	4,81,93,444	3,74,90,393	2,11,55,000	2,53,50,000	1,78,21,000
India Non-effective	R	7,01,705	9,93,678	18,75,003	15,96,000	15,49,000	14,47,000
India TOTAL	R	5,33,19,374	4,91,87,122	3,93,65,396	2,27,51,000	2,68,99,000	1,92,68,000
England	£	364,866	2,323,538	900,750	397,800	503,200	467,000
Effective	R	31,54,950	1,04,37,770	74,81,527	27,83,000	38,20,000	35,85,000
Non-effective	R	4,93,710	1,27,97,609	15,25,970	11,95,000	12,12,000	10,85,000
TOTAL	R	36,48,660	2,32,35,379	90,07,497	39,78,000	50,32,000	46,70,000
TOTAL RECEIPTS. Effective	R	5,57,72,619	5,86,31,214	4,49,71,920	2,39,38,000	2,91,70,000	2,14,06,000
TOTAL RECEIPTS. Non-effective	R	11,95,415	1,37,91,287	34,00,973	27,91,000	27,61,000	25,32,000
TOTAL RECEIPTS. TOTAL	R	5,69,68,034	7,24,22,501	4,83,72,893	2,67,29,000	3,19,31,000	2,39,38,000
TOTAL NET EXPENDITURE India	R	70,49,87,653	54,34,91,207	50,06,85,741	47,85,50,000	45,66,25,000	45,55,43,000
TOTAL NET EXPENDITURE England	R	10,55,45,160	9,26,58,276	9,80,01,516	9,32,17,000	9,64,96,000	9,93,29,000
Effective	R	75,50,54,817	58,00,16,511	50,85,87,921	48,41,01,000	46,30,75,000	46,60,31,000
Non-effective	R	5,54,77,996	5,61,32,972	9,00,99,336	8,76,66,000	9,00,46,000	8,88,41,000
TOTAL	R	81,05,32,813	63,61,49,483	59,86,87,257	57,17,67,000	55,31,21,000	55,48,72,000

NOTE.—Exchange on Home charges and receipts (*i.e.*, difference between sterling figures converted at £1=R15 and at £1=R10) for 1920-21 has been added to the Indian figures.

56 The net Army expenditure in 1923-24 is now estimated at R55,31·21 lakhs against a corresponding Budget provision of R57,17·67 lakhs. The reduction of R1,86·46 lakhs is made up of a decrease of R2,19·25 lakhs in expenditure in India and an increase of R32·79 lakhs in expenditure in England. *Revised 1923-24, compared with Budget, 1923-24.*

India.

57. The decrease of ₹2,19·25 lakhs in India is the net result of several variations up and down, the more important of which are given below:

(Lakhs of Rupees.)

Decrease.

(i)	Savings due to shortages, and reductions, in authorised establishments of fighting and ancillary services	1,20
(ii)	Reduction of British Cavalry and Artillery units which had effect during a portion of the year	28
(iii)	Fall in prices of foodstuffs	20
(iv)	Savings in the provision for proficiency pay of British soldiers, due to fewer recipients	35
(v)	Increase in credits from consumption or disposal of surplus stores	60
(vi)	Savings in the provision for diets for sick patients in hospitals, owing to reduction in the number of constantly sick	18
(vii)	Economy in charges of hired transport	7
(viii)	Lapse of the provision for National Health Insurance contribution for British soldiers, the expenditure being incurred by the Secretary of State in England	9
(ix)	Lapse in the grant for the Auxiliary and Territorial Forces, the budgeted establishments for which have not been fully worked up to	5
(x)	Savings due to shortage in the authorised establishments of the Royal Air Force	4
(xi)	Savings in the provision for loss by exchange on sterling expenditure in England, owing to rise in exchange	27
		3,33

Increase.

(i)	Larger expenditure in Waziristan owing to retention of additional establishments, etc, for a longer period	31
(ii)	Charges on account of surplus officers of the Indian Army	30
(iii)	Increase in Non-effective charges	30
(iv)	Increase in effective pay charges of officers, due to a reduction in the number of officers on long leave consequent on the gradual return of normal conditions in regard to leave	12
(v)	Arrear charges	10
		1,13
	Net decrease	2,20

England.

58. The principal items contributing to the increase of Rs. 32·79 lakhs in England are:—

(Lakhs of Rupees.)
(1£=Rs. 10.)

Increase.

(i)	Increase in expenditure connected with the demobilization of surplus officers of the Indian Army (As no settlement has yet been arrived at with His Majesty's Government in regard to their share of the expenditure, the whole of the expenditure is for the present being charged to Indian revenues)	39
(ii)	Increase in non-effective charges	6
(iii)	Provision for National Health Insurance contribution for British soldiers, a transfer from the Indian Estimates	6
		51

	Decrease.	
(i) Receipt from the War Office in connection with the reduction in establishment of British troops .	7	
(ii) Smaller expenditure on Furlough allowances of officers of the Indian Army	6	
(iii) Smaller outlay on purchase of stores . . .	5	
		18
Net increase		33

59. Of the sum of ₹60·25 crores allotted in the Budget for 1924-25 to meet the net expenditure on Military Services, ₹55,48·72 lakhs will be available for expenditure under the " Army " head, made up of ₹45,55·43 lakhs for expenditure in India and ₹9,93·29 lakhs in England. The former figure includes ₹4,30 lakhs on account of Exchange on net expenditure in England. The English expenditure includes £800,000 for the retirement of surplus officers of the Indian Army and £250,000 for the payment to the War Office of the balance of their claim in regard to exchange concession on war gratuities of British officers and soldiers. *Budget, 1924-25.*

60. As compared with the Budget for 1923-24, there is a decrease of ₹1,68·95 lakhs made up of a decrease of ₹2,30·07 lakhs in India and an increase of ₹61·12 lakhs in England. *Budget, 1924-25, compared with Budget 1923-24.*

61. As compared with the Revised estimate for 1923-24, there is an increase of ₹17·51 lakhs made up of a decrease of ₹10·82 lakhs in India and an increase of ₹28·33 lakhs in England. *Budget, 1924-25, compared with Revised, 1923-24.*

XXXVII AND 49—MARINE.

		Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1924-25.
EXPENDITURE.							
India . . .	₹	1,11,87,620	1,31,11,067	1,13,49,218	71,46,000	72,69,000	66,76,000
England . . .	£	573,488	406,556	264,940	249,000	259,600	249,200
	₹	57,34,883	40,65,559	26,49,400	24,90,000	25,96,000	24,92,000
Total Expenditure .	₹	1,69,22,503	1,71,76,626	1,39,98,618	96,36,000	98,65,000	91,68,000
RECEIPTS.							
India	₹	79,56,768	55,91,868	32,72,538	21,29,000	29,99,000	14,92,000
England . . .	£	...	53.379	...	...	...	...
	₹	...	5.33.787	...	...	...	...
Total—Receipts	₹	79,56,768	61,25,655	32,72,538	21,29,000	29,99,000	14,92,000
TOTAL—NET EXPENDITURE . India .	₹	32,30,852	75,19,199	80,76,680	50,17,000	42,70,000	51,84,000
England	₹	57,34,883	35,31,772	26,49,400	24,90,000	25,96,000	24,92,000
Total .	₹	89,65,735	1,10,50,971	1,07,26,080	75,07,000	68,66,000	76,76,000

NOTE.—Exchange on Home charges (i.e., difference between sterling figures converted at £1=₹15 and £1=₹10) for 1920-21 has been added to expenditure in India.

Revised, 1923-24, compared with Budget, 1923-24.

62. The reduction in net expenditure of ₹6·41 lakhs in 1923-24 is mainly due to receipts from the sale of surplus stores, vessels and launches and from hire of certain trawlers to the Bombay Port Trust.

Budget, 1924-25, compared with Budget, 1923-24. and Revised, 1923-24.

63. The Budget for 1924-25 has been fixed at ₹76·76 lakhs, and is ₹1·69 lakhs more than the Budget for 1923-24 and 8·10 lakhs more than the Revised estimate for the year. The excesses result from an anticipated fall in receipts.

XXXVIII AND 50.—MILITARY WORKS.

		Actuals, 1920-21.	Actuals, 1921-22.	Actuals, 1922-23.	1923-24. Budget.	1923-24. Revised.	Budget, 1924-25.
EXPENDITURE.							
India . . .	₹	5,47,28,975	5,18,30,288	4,74,71,301	4,18,50,000	4,35,95,000	4,15,60,000
England . . .	£	127,255	121,944	152,889	50,500	86,000	47,800
	₹	12,72,559	12,19,442	15,28,886	5,05,000	8,60,000	4,78,000
TOTAL .	₹	5,60,01,534	5,30,49,730	4,90,00,187	4,23,55,000	4,44,55,000	4,20,38,000
RECEIPTS.							
India . . .	₹	16,86,464	21,45,676	57,33,434	16,29,000	70,23,000	20,86,000
TOTAL NET EXPENDITURE. India	₹	5,30,42,511	4,96,84,612	4,17,37,867	4,02,21,000	3,65,72,000	3,94,74,000
TOTAL NET EXPENDITURE. England	₹	12,72,559	12,19,442	15,28,886	5,05,000	8,60,000	4,78,000
TOTAL NET EXPENDITURE. TOTAL	₹	5,43,15,070	5,09,04,054	4,32,66,753	4,07,26,000	3,74,32,000	3,99,52,000

NOTE.—Exchange on Home charges (*i.e.*, difference between sterling figures converted at £1=₹15 and at £1=₹10) for 1920-21 has been added to expenditure in India.

Revisd, 1923-24, compared with Budget, 1923-24.

64. The decrease of ₹32·94 lakhs in net expenditure is made up of (1) an abnormal credit (₹41 lahhs) from sale-proceeds of buildings construc ted during the war which have hitherto been held in deposit, (2) other receipts by sale of surplus buildings, etc. (₹13 lakhs), and (3) an increase in expenditure on works on the frontier, etc. (₹22 lakhs).

65. Of the net grant of ₹60·25 crores for military services for 1924-25 it is proposed to allot ₹3,99·52 lakhs to Military Works Services. This provision includes about ₹30 lakhs for special expenditure in Waziristan. *Budget, 1924-25, compared with Budget, 1923-24.*

66. The Budget for 1924-25 is less than the Budget estimate for 1923-24 by ₹7·74 lakhs and more than the Revised estimate for 1923-24 by ₹25·20 lakhs. *Budget, 1924-25, compared with Budget and Revised, 1923-24.*

MILITARY SERVICES: SUMMARY.

		Actuals, 1920-1921.	Actuals, 1921-1922.	Actuals, 1922-1923.	1923-1924. Budget.	1923-1924. Revised.	Budget, 1924-1925.
EXPENDITURE.							
India	₹	82,42,23,622	65,76,19,684	59,88,71,656	55,02,97,000	58,43,88,000	52,30,47,000
England	£	11,620,125	12,117,866	11,118,730	10,019,000	10,498,400	10,696,900
	₹	11,62,01,259	12,11,78,656	11,11,87,299	10,01,90,000	10,49,84,000	10,69,69,000
Total Expenditure	₹	94,04,24,881	77,87,96,340	71,00,58,955	65,04,87,000	68,93,72,090	63,00,16,000
RECEIPTS.							
India	₹	6,29,62,606	5,69,24,666	4,83,71,368	2,65,09,000	3,69,21,000	2,28,46,000
England	£	364,866	2,376,917	900,750	397,800	503,200	467,000
	₹	36,48,660	2,37,69 166	90,07,497	39,78,000	50,32,000	46,70,000
Total Receipts	₹	6,66,11,266	8,06,93,832	5,73,78,865	3,04,87,000	4,19,53,000	2,75,16,000
NET EXPENDITURE. India	₹	76,12,61,016	60,06,95,018	55,05,00,288	52,37,88,000	49,74,67,000	50,02,01,000
NET EXPENDITURE. England	₹	11,25,52,599	9,74,09,490	10,21,79,802	9,62,12,000	9,99,52,000	10,22,99,000
NET EXPENDITURE. Total	₹	87,38,13,615	69,81,04,508	65,26,80,090	62,00,00,000	59,74,19,000	60,25,00,000

NOTE.—Exchange on Home charges and receipts (*i.e.*, difference between sterling figures converted at £1=Rs.15 and at £1=Rs.10) for 1920-21 has been added to the Indian figures.

Revised, compared with Budget, 1923-24.

67. In the Budget estimate for 1923-24, a grant of ₹62 crores was allotted for net expenditure on military services, inclusive of sterling expenditure in England converted at £1 = Rs. 15. This figure was made up as follows:—

	Lakhs of rupees.
(1) For special expenditure in Waziristan	1,69·50
(2) For retirement of surplus officers of the Indian Army	62·25
(3) For established charges of the Army etc., (net)	61,93·25
(4) *Deduct*—Credit from consumption or disposal of surplus stocks of stores	2,25·00
	62,00·00

68. The Revised estimate of net expenditure is less than the Budget provision by about 226 lakhs. Of this reduction, about ₹46 lakhs represents saving on Exchange obtained from the conversion of sterling expenditure into rupees at 16½*d.* the rupee. Apart from this saving, the reduction in net expenditure amounts to 180 lakhs and is due wholly to shortages and reductions in authorised establishments of fighting and ancillary services, inclusive of reductions in British Cavalry and Artillery, and to economies in various directions. Other important variations from Budget anticipation are:—(1) an increase of about 75 lakhs in the credits from consumption or disposal of surplus stores of various classes; (2) a special credit of 41 lakhs on account of sale-proceeds of temporary buildings constructed during the war; (3) an increase of 88 lakhs in charges connected with the demobilisation of surplus officers of the Indian Army; and (4) an increase of 31 lakhs in the special expenditure in Waziristan.

Budget, 1924-25.

69. A grant of ₹60·25 crores has been allotted for net expenditure on Military Services in 1924-25, inclusive of sterling expenditure in England converted at 16½*d.* the rupee. It is made up as follows:—

	Lakhs of rupees.
(1) For special expenditure in Waziristan	30
(2) For retirement of surplus officers and personnel and other special terminal charges	1,55
(3) For established charges of the Army, etc. (*net*)	58,40
	60,25

The provision under (3) includes ₹25 lakhs for payment of customs duty.

Budget, 1924-25, compared with Budget and Revised, 1923-24.

70. The proposed grant for net expenditure on Military Services in 1924-25 is less than the Budget for 1923-24 by ₹1,75 lakhs, but more than the Revised estimate for 1923-24 by ₹50·81 lakhs.

WAYS AND MEANS.

HOME TREASURY.

71. The bulk of the payments made in England on account of the Government of India consist normally of expenditure chargeable to the Indian revenues; and if such payments represented the only transactions, the Ways and Means programme would be a simple arrangement, as the whole of the expenditure would ordinarily be met by remittance of funds from India. The capital outlay on the construction of railways, however, necessitates heavy borrowing and a large portion of the money required has, when practicable, been raised in England, either direct or through the agency of Companies. Operations, connected with the Gold Standard and Paper Currency Reserves, and with the replacement of one particular form or item of direct or indirect debt by another further largely swell the receipts and charges of the Home treasury without affecting ordinarily the general Ways and Means programme. Recoveries are also being effected by the Secretary of State against the drawings of the Iraq administration on India, and to a smaller extent against the disbursements made in India on behalf of His Majesty's Government. These recoveries represent in effect remittances from India to finance the Home treasury and reduce the amount of direct remittances which would otherwise be necessary.

72. The following is a summary of the transactions appearing in the Budget and Revised estimates of the Home Treasury for 1923-24, and in the Budget estimate of 1924-25:—

	Budget, 1923-24.	Revised, 1923-24.	Budget, 1924-25.
RECEIPTS.	£	£	£
(1) Discount on loans raised in previous years brought to account as debt incurred . .	140,800	158,300	185,500
(2) Liabilities assumed by the Secretary of State in connection with the purchase of Railways	...	...	18,500,000
(3) Remittance between England and India—			
(*a*) Postal and Money Order transactions .	450,000	1,130,000	226,000
(*b*) Recoveries on account of drawings by Iraq administration on India . .	2,750,000	2,427,000	2,560,000
(*c*) Other transactions	1,218,800	1,605,800	2,043,900
Total Receipts, excluding direct remittances and loans	4,559,600	5,321,100	23,515,400

	Budget, 1923-24.	Revised, 1923-24.	Budget, 1924-25.
	£	£	£
Total Receipts—Brought forward .	4,559,600	5,321,100	23,515,400
DISBURSEMENTS.			
(4) Excess of Expenditure of the Central Government over Revenue.	28,742,300	26,500,100	28,265,500
(5) Expenditure incurred on behalf of Provincial Governments.	2,288,600	2,101,900	3,047,000
(6) Capital Expenditure not charged to Revenue—			
(a) Outlay on State Railways . . .	19,000,000	10,775,200	11,563,400
(b) Capital charge involved in redemption of liabilities.	...	...	18,500,000
(c) Outlay on Irrigation Works and Delhi	85,800	73,300	53,800
(7) Discharge of railway debentures . .	..	715,500	451,000
(8) Deposits and Advances	358,000	1,710,200	454,800
Total Disbursements .	50,474,700	41,876,200	62,340,500
NET DISBURSEMENTS	45,915,100	36,555,100	38,825,100
Financed as follows—			
Remittances from India (net) . . .	28,000,000	16,363,700	36,000,000
Debt incurred	15,000,000	18,000,000	...
Reduction of cash balance	2,915,100	2,191,400	2,825,100
Total .	45,915,100	36,555,100	38,825,100
Opening Balance	7,418,100	9,822,000	7,630,600
Closing Balance	4,503,000	7,630,600	4,805,500

Revised, 1923-24. 73. The Revised estimate for the current year provides for a total disbursement by the Secretary of State and the High Commissioner for India of £41·9 millions. The estimate allows for the transfer to revenue of £1,675,000 out of profits earned in previous years from the control of enemy ships by a corresponding charge to the head "Deposits and advances" where the profits were credited when they accrued. Eliminating this transfer, the net expenditure of the Central Government in England in excess of revenue amounts, according to the Revised estimate, to £28·2 millions. The other main disbursements are (i) £2·1 millions representing expenditure on behalf of Provincial Governments chargeable to their balances on deposit with the Central Government, (ii) £10·8 millions on account of Railway Capital outlay, and (iii) £715,000 for discharge of debentures issued by Railway Companies.

74. Apart from public borrowings and direct remittances from India, the resources available for meeting the above disbursements total £5·3 millions, namely, (i) £2·4 millions recovered from the Colonial Office against drawings by the High Commissioner for Iraq which have been met in India, (ii) £1·1 millions on account of net receipts on account of sterling postal and money orders paid in India, and (iii) £1·8 millions on account of various miscellaneous receipts mainly recoveries from His Majesty's Government against disbursements made on their behalf in India.

75. The Secretary of State floated in May 1923, a sterling loan for £20 millions carrying interest at 4½ per cent. and repayable in 1950-55, at an issue price of £90 per cent. The proceeds of the loan amounted to £18 millions.

76. The remittances from India by the sale of Council Bills and the purchase of sterling are expected to amount by the end of the year to £22·5 millions. A sum of £5·8 millions was transferred during the middle of the year from the holding of British treasury bills on behalf of the Paper Currency Reserve to the cash balances of the Secretary of State. On the other hand, with the object of effecting sterling remittances when the opportunity offered and at the same time affording some relief to the monetary position in India, a sum of £12 millions out of the above remittance was treated as made on behalf of the Paper Currency Reserve in the latter part of the year, in other words British treasury bills of this value were deposited in the Reserve in England against currency notes issued in India. Again, a sum of £2 millions was received in sterling in England against gold sold from the Paper Currency Reserve holding in India, and was invested in British treasury bills on behalf of the Reserve in England. The net result of these remittance operations is an addition of £16·4 millions to the Secretary of State's cash balances, and the holding of British Treasury bills in the Paper Currency Reserve at the end of the year will amount to £14 millions against £5·8 millions at the beginning.

77. The net disbursements in England mentioned above amount to £36·6 millions, against which £34·4 millions are available from the proceeds of the sterling loan and remittances from India. The balance of £2·2 millions will be met from the cash balances which will accordingly stand at £7·6 millions at the end of the year against £9·8 millions at the beginning.

78. The broad variations in the above programme from that contemplated in the Budget, are as follows. The receipts from the sterling loan were £3 millions more than assumed in the Budget, the capital outlay on railways is expected to fall short of the Budget by £8·2 millions, and other miscellaneous transactions will show an improvement of £1·1 million. On the other hand, the remittances from India were in the net less by £11·6 millions.

79. The disbursements by the Secretary of State and the High Commissioner in the coming year are now estimated at £43·8 millions, namely, excess of expenditure of the Central Government over revenue £28·3 millions, expenditure on behalf of Provincial Governments £3 millions, Railway capital outlay £11·6 millions, and discharge of railway debentures and net issues under deposits and advances £0·9 million. *Budget, 1924-25.*

80. It is expected that the Secretary of State will recover £2·6 millions from the Colonial Office against drawings on India by the High Commissioner for Iraq, while miscellaneous receipts (mainly recoveries from His Majesty's Government of disbursements on their behalf in India) will amount to £2·4 millions—a total of £5 millions.

81. The deficiency in resources is thus £38·8 millions. The estimates provide for its being met to the extent of (i) £36 millions by remittances from India in one form or another, and (ii) £2·8 millions by a reduction of the cash balances from £7·6 millions at the beginning of 1924-25 to £4·8 millions at its end. It is not possible to indicate at present the precise form which the remittances from India aggregating £36 millions will take as this must depend on circumstances from time to time during the year; but it assumed for the purpose of the estimates that £10 millions of the remittance will be obtained by a withdrawal from the Paper Currency Reserve in England against a corresponding payment into the Reserve in India. The estimates do not provide for the issue of any sterling loan next year, but discretion is reserved as usual to issue a loan if that course is considered desirable.

82. The Budget estimates for 1924-25 include a debit of £18½ millions under the head " capital charge involved in redemption of liabilities " and an equivalent credit as debt incurred in respect of the debenture stock of the East India Railway Company for which the Secretary of State will incur liability on the termination of the company's contract.

1923-24 and 1924-25. Gold Standard Reserve.

83. The following are the details of the transactions of the Gold Standard Reserve in England:—

	1923-24. Budget.	1923-24. Revised.	1924-25. Budget.
	£	£	£
RECEIPTS.			
(*a*) Dividends on investments, discount on treasury bills, interest on loans at short notice, etc.	1,076,300	1,250,200	1,504,100
(*b*) Exchequer Bonds, British treasury bills and Colonial Government securities, etc., paid off	140,991,000	121,429,000	102,403,100
TOTAL	142,067,300	122,679,200	103,907,200
CHARGES.			
Investments made	141,009,000	121,379,300	102,486,800
Appropriation for the reduction of created securities in the Paper Currency Reserve in Revised 1923-24 against short appropriation in 1922-23	...	47,500	...
Appropriation to Revenue	1,058,300	1,252,400	1,420,400
TOTAL	142,067,300	122,679,200	103,907,200

84. The following statement shows the transactions and balances of the fund in the two years taken together:—

	1923-24. Budget.	1923-24. Revised.	1924-25. Budget.
OPENING BALANCE—	£	£	£
(*a*) Invested (cost price)	40,141,700	40,001,700	39,952,000
(*b*) Uninvested— Cash at the Bank of England	1,800	3,700	3,700
	40,143,500	40,005,400	39,955,700

	1923-24. Budget.	1923-24. Revised.	1924-25. Budget.
	£	£	£
CLOSING BALANCE—			
In England—			
(*a*) Invested (cost price) . .	40,159,700	39,952,000	40,035,700
(*b*) Uninvested—			
Cash at the Bank of England	1,800	3,700	3,700
	40,161,500	39,955,700 (*a*)	40,039,400 (*a*)
Difference between opening and closing balances representing Interest, etc., on investments in England *less* appropriation for the reduction of created securities in the Paper Currency Reserve, or to Revenue (*vide* preceding paragraph)	18,000	—49,700	83,700

(*a*) These figures are based on the cost price of investments for the Reserve. The excess over £40 millions on the basis of current market prices will be appropriated to revenue.

INDIA.

85. The following is a summary of the estimates of Ways and Means in India during 1923-24 and 1924-25 :—

	Budget Estimate, 1923-24.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
	R	R	R
RECEIPTS.			
1. Excess of Revenue of the Central Government over Expenditure charged to Revenue	29,55,09,000	28,56,08,000	28,45,02,000
2. Capital contributed by Railway Companies towards outlay on State Railways	...	—32,52,000	—19,52,000
3. Unfunded Debt incurred—			
(a) Post Office Cash Certificates (net)	—47,00,000	5,26,00,000	1,50,00,000
(b) Savings Bank deposits (net)	5,50,95,000	5,17,74,000	5,99,33,000
4. Other Deposits and Remittances (net)—			
(a) Exchange on Remittance Accounts	8,70,80,000	3,32,27,000	5,40,32,000
(b) Appropriation for reduction of created securities in the Paper Currency Reserve	...	2,97,72,000	...
(c) Other transactions	2,64,44,000	—32,19,000	1,90,35,000
5. Transfers from the Paper Currency Reserve	...	12,00,00,000	...
6. Balances of Provincial Governments	1,08,74,000	7,14,00,000	4,47,000
TOTAL RECEIPTS EXCLUDING LOANS	47,03,02,000	63,79,10,000	43,09,97,000
DISBURSEMENTS.			
7. Capital Expenditure not charged to Revenue—			
(a) State Railways	19,63,95,000	12,83,12,000	18,43,16,000
(b) Irrigation Works	22,000	5,000	...
(c) Posts and Telegraphs	94,30,000	96,65,000	1,73,95,000
(d) Initial expenditure on new Capital at Delhi	1,88,43,000	1,74,69,000	1,41,62,000
8. Permanent Debt discharged (net)	6,98,52,000	4,91,41,000	1,82,93,000
9. Floating Debt discharged—			
Treasury bills issued to the public (net)	5,50,00,000	19,46,00,000	2,13,00,000
10. Loans to Provincial Governments (net)	13,46,77,000	11,32,26,000	12,72,62,000
11. Loans to Indian States, etc. (net)	—6,67,000	—20,44,000	—6,70,000
12. Remittances between England and India—			
(a) Remittances from India for financing Home Treasury	28,00,00,000	28,36,37,000	36,00,00,000
(b) Drawings by the Iraq administration recoverable in England	2,75,00,000	2,42,70,000	2,56,00,000
(c) Other transactions (net)	2,05,88,000	2,12,55,000	2,23,04,000
TOTAL DISBURSEMENTS	81,16,39,000	83,95,86,000	78,99,62,000
NET DISBURSEMENTS	34,13,37,000	20,16,26,000	35,89,65,000
Financed as follows—			
Debt incurred	25,00,00,000	23,97,47,000	20,00,00,000
Reduction of Treasury Balances	9,13,37,000	—3,81,21,000	15,89,65,000
TOTAL	34,13,37,000	20,16,26,000	35,89,65,000
Opening Balance	23,89,58,000	25,95,80,000	29,77,01,000
Closing Balance	14,76,21,000	29,77,01,000	13,87,36,000

86. The following table shows the estimates of total capital outlay of the Central Government, net expenditure of the Central Government charged to revenue, and net transactions of Provincial Governments in the current and next years, and their distribution between India and England:—

(In lakhs of rupees.)

	Revised, 1923-24.			Budget, 1924-25.		
	India inclusive of adjustment for exchange.	England.	Total.	India inclusive of adjustment for exchange.	England.	Total.
(i) Capital outlay not charged to Revenue—						
(a) Railways .	12,83	10,78	23,61	18,43	11,57	30,00
(b) Indian Postal and Telegraph Department . . .	97	...	97	1,74	...	1,74
(c) New Capital at Delhi . .	1,75	7	1,82	1.42	5	1,47
Total .	15,55	10,85	26,40	21,59	11,62	33,21
(ii) Net expenditure of Central Government charged to revenue .	—28,5	26,50	—2,06	—28,45	28,27	—18
(iii) Net drawings of Provincial Governments	—7,14	2,10	—5,04	—4	3,04	3,00
GRAND TOTAL .	—20,15	39,45	19,30	—6,90	42,93	36,03

87. The estimates relating to England shown in the above table have been dealt with in connection with the Ways and Means position of the Secretary of State. Those relating to India will be found in the table in paragraph 85 summarising the Ways and Means position in India.

88. The following table shows the assets available for the reduction of created securities in the Paper Currency Reserve in the two years:—

(In lakhs of rupees.)

	Revised, 1923-24.	Budget, 1924-25.
Excess in assets of Gold Standard Reserve over £40 millions (relating to 1922-23) . .	5	...
Exchange on the above	2	...
Exchanges in respect of the transfer of £5,818,006 from the Paper Currency Reserve to Treasury balances in England	2,91	...
	2,98	...

89. The interest realised on the investments of the Paper Currency Reserve was earmarked for this purpose by the Indian Paper Currency Amendment Act, XLV of 1920; the Indian Finance Acts, 1922 and 1923, nowever, suspended this provision temporarily for the three years ending 31st March 1924, and the Indian Finance Act, 1924, has suspended it for one year more. Credit for the interest has accordingly been taken to revenue in the current year's Revised and next year's Budget. When the Act of 1920 was before the Legislature, an undertaking was given on behalf of Government that the assets of the Gold Standard Reserve in excess of £40 millions would be applied to the same purpose, but it has been decided to credit them also to revenue in the current year and it is proposed to follow the same procedure for next year.

90. There was no cancellation of created securities during the current year, the credit of ₹2,98 lakhs mentioned above being set off against an excess cancellation effected in 1922-23. In consequence of the decision to credit to revenue both the interest on investments in the Paper Currency Reserve and the assets of the Gold Standard Reserve in excess of £40 millions, no sums will be specifically available next year for the reduction of created securities. The holdings of Indian Treasury bills in the Paper Currency Reserve will continue to stand at ₹49,65 lakhs at the close of this as well as the next year.

91. The following table summarises the disbursements in India in the current and next years as at present estimated:—

	(In lakhs of rupees.) Revised, 1923-24.	Budget, 1924-25.
(*i*) Discharge of debt other than treasury bills	4,91	1,83
(*ii*) Discharge of treasury bills held by the public	19,46	2,13
(*iii*) Loans to Provincial Governments (net)	11,32	12,72
(*iv*) Remittances from India for financing the Home Treasury (net)—see paragraphs 76 and 81	16,36	36,00
(*v*) Drawings by the Mesopotamian Administration against recoveries in England	2,43	2,56
(*vi*) Miscellaneous deposits, advances and remittances	—41	46
Total	54,07	55,70

92. The details of the entries against item (i) in the preceding paragraph are as follows:—

	(In lakhs of rupees.) Revised, 1923-24.	Budget, 1924-25.
(*a*) Discharge of debt through purchases for sinking funds	41	1,34
(*b*) Annual instalment in repayment of Gwalior 4 per cent. loan of 1887	12	2
(*c*) War Bonds etc., converted into current loan or discharged	1,78	27
(*d*) Discharge of 4 per cent. Terminable Loan	2,60	20
Total	4,91	1,83

93. The resources available in the two years for meeting the above disbursements are estimated as follows:—

(In lakhs of rupees.)

	Revised, 1923-24.	Budget, 1924-25.
(i) Proceeds of rupee loan in India . . .	23,97	20,00
(ii) Net receipts from Savings Bank deposits . .	5,16	6,00
(iii) Net receipts from Post Office cash certificates .	5,26	1,50
(iv) Net credits from exchange adjustments—*vide* paragraph 52	3,32	5,40
(v) Excess of revenue in India over expenditure including Provincial drawings (net)—*vide* paragraph 86	20,15	6,90
Total .	57,88	39,80

1923-24. Rupee loans.

94. The total receipts from the new rupee loan, subscriptions for which were received from the 4th July 1923 amounted to ₹23,97 lakhs, inclusive of ₹4 lakhs from the post office section of the loan. The receipts consisted of ₹14,18 lakhs from the ten year 5 per cent. Bonds 1933, and ₹9,79 lakhs from the 5 per cent. Income-tax free loan, 1945-55. The receipts from the post office section were negligible as the loan was open only for five working days. War bonds, 1923, of a total value of ₹8 lakhs and treasury bills of a discounted value of ₹1½ lakhs were received in payment of subscriptions to the loan. The gross receipts and payments on account of cash certificates are expected to amount to ₹6,88 lakhs and ₹1,62 lakhs respectively during the current year, the net receipts thus amounting to ₹5,26 lakhs.

95. The entry relating to the proceeds of the rupee loan to be raised next year is as usual provisional and Government reserves discretion to vary the borrowing programme during the year.

Post Office Savings Banks.

96. The Budget estimate assumed that would be a net deposit of ₹1,00 lakhs into postal savings banks in the current year; the net deposit is now expected to amount to ₹90 lakhs. The Budget estimate for 1924-25 provides for a net deposit of ₹1,00 lakhs.

97. The disbursements enumerated in paragraph 91 are less than the available resources detailed in paragraph 93 by ₹3,81 lakhs in the current year and exceed the same by ₹15,90 lakhs for next year. The cash balance in India at the end of 1923-24 will thus stand at ₹29,77 lakhs against ₹25,96 lakhs at the beginning of the year and will be reduced to ₹13,87 lakhs by the end of 1924-25. The outstandings of treasury bills with the public amounted to ₹21,59 lakhs on the 1st April 1923; it is expected that they will be reduced to ₹2,13 lakhs by the 31st March 1924. Provision has been made in 1924-25 for the discharge of the outstanding balance of ₹2,13 lakhs, so that there will be no treasury bills in the hands of the public at the end of 1924-25. Here again discretion is reserved to issue bills, if necessary.

A. C. McWATTERS.

The 28th March 1924.

APPENDIX I.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PREFATORY NOTE.

I.—Scope of pro formâ *account.*

The following *pro formâ* account, with its supporting statements, exhibits the expenditure, initial and annual, on Delhi and the Delhi Province and also any receipts and savings which form a direct set-off to that expenditure. The account has been prepared in consultation with the Auditor General and carries his approval as regards both its form and its substantial completeness at the present date subject to the qualifications implied in the following prefatory remarks; it will be added to, or amplified later, if experience should show this to be necessary.

2. The main item of the account, as regards non-recurring expenditure, is the Delhi project proper, the figures for which appear against item 1 of Part I.—*Initial Outlay*. The principal recurring charge is that representing the expenditure in the new province, which appears as item 1 of Part II.—*Annual Expenditure*.

3. The account necessarily exhibits any expenditure occurring under the named heads, without qualification on account of contributory causes. It must, therefore, be clearly understood that the increase of expenditure, including that in the Delhi Province, is not wholly due to the change of Capital. Thus, an increase of the garrison at Delhi on strategic grounds had been already independently and strongly recommended to the Government of India by the Chief of the General Staff and endorsed by His Excellency the Commander-in-Chief in July 1911, before the transfer of the Capital had been officially proposed, and the construction of the accommodation of the troops already there had long been recognised as pressing. Similarly the recent advance in the policy relating to education and sanitation, particularly the latter, would, under any circumstances, have involved increased expenditure in this city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance. The same principle will be applied to the Railway expenditure, *i.e.*, the cost of any remodelling of the railway system which is connected with the constitution of the new Capital will be exhibited in full in the *pro formâ* account. A wholly independent railway requirement, such as the permanent marshalling yard which will eventually replace the temporary yard now in use, will not be shown.

II.—Relation between the pro formâ *account and the regular accounts.*

4. A brief explanation is added below connecting the various items in the *pro formâ* account with the entries in the published accounts and estimates. Some further explanations are also to be found in the account itself and in its supporting statements.

Item 1 of Part I of *pro formâ* account. Item 3 (*b*), *ibid.*

5. The capital expenditure directly incurred on the construction of the new Imperial Capital at Delhi is shown in the regular accounts under the special head "57—Initial Expenditure on the new Capital at Delhi." The only other item of expenditure which will be recorded in the capital section of the regular accounts is that arising from diversions or re-arrangements of the railway system, which will appear under the head "58—State Railways".

Item 2, *ibid.* Item II, *ibid.*

6. The initial expenditure incurred during the years 1911-12 and 1912-13 in connection with the provision of temporary accommodation for the Government of India at Delhi, pending the construction of the new Capital, has been treated, on the advice of the Auditor General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "41—Civil Works". Any non-recurring receipts which may eventually be obtained in connection with these temporary works, *e.g.*, from the sale of lands and buildings when no longer required by the Government of India, will be similarly credited under a special head subordinate to the major head "XXX—Civil Works".

Items 1 and I of Part II of *pro formâ* account.

7. The remaining expenditure is mainly brought to account in one of two ways: either, first, as expenditure of the new Province; or secondly as departmental expenditure chargeable to the Department in which it is incurred.

8. The expenditure and receipts appertaining to the *quasi*-provincial administration of the Imperial area are brought to account in the same way as in the case of other minor administrations and are eventually published separately, like the figures for Coorg and Baluchistan, in an appendix to the Civil Estimates. It will be noted that any grants which may be specially given from Imperial revenues in aid of the Delhi Municipality or other local funds will be brought into the regular accounts and consequently, into the *pro formâ* account also, since they will appear as charges of the Delhi administration.

Items 3 (*a*) and III of Part I of *pro formâ* account.

9. Expenditure which does not appertain to provincial administration is recorded, as in the case of other provinces, under its appropriate departmental head in the regular accounts. Thus expenditure on the land and buildings required for the new Cantonment, and any corresponding receipts, appear under the Army and Military Works heads respectively, under both of which a special Delhi sub-head has been opened. Railway capital outlay has already been referred to. Railway revenue charges and receipts similarly come under the Railway account head. In these cases, the *pro formâ* account necessarily exhibits only initial expenditure and non-recurring receipts, as Military expenditure is not being permanently increased and the influence of the new Capital on the ordinary daily receipts and working expenses of the Railways cannot evidently be satisfactorily isolated. This latter consideration also applies to the case of Postal and Telegraph expenditure, which moreover represents ordinary administrative expenditure of the department, and is relatively insignificant in amount. For these reasons, in the case of this department neither the initial outlay nor the recurring receipts and expenditure have been included.

Items 4 to 7 and I and IV of Part I, and Items 2

10. There are also a few items of expenditure and of actual receipt or of definite saving which are not recorded in the accounts of the Delhi Province or in the departmental accounts, but which it is necessary to take into consideration in calculating the expenditure on Delhi and the Delhi Province. Most of these are self-explanatory, but attention may

be called to the intended treatment of the sale-proceeds of vacated lands and buildings at Calcutta (if any) and elsewhere. These will be credited under the major heads "XXXV—Miscellaneous" and "XXX—Civil Works", and the *pro formâ* account will take credit only for actual Imperial receipts. No account will be taken, in the statements themselves, of book transactions, or of the considerable savings obtained from the vacation of rented accommodation, *i.e.*, of relief in respect of rental payments which the Local Government obtains by giving up private buildings previously leased for provincial establishments, and moving the latter into offices formerly occupied by the Government of India. Any reference made to such saving will, therefore, be found in an explanatory footnote. [See Part I, Note 5.]

and 3 and II to V of Part II of *pro formâ* account. Item I of Part I.

11. Outlay on stores and all other expenditure incurred in England under a capital head or as a revenue charge, which can be distinguished as appertaining to the construction of Delhi or to the administration of the Delhi Province, have been included in the *pro formâ* account.

PRO FORMÁ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART I.—INITIAL OUTLAY.

[Figures in thousands of Rupees.]

Expenditure.	Actuals to end of 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.	Receipts.	Actuals to end of 1922-23.	Revised Estimate, 1923-24	Budget Estimate, 1924-25.
1. DELHI PROJECT: Capital outlay on permanent Delhi chargeable to Head "57" (for details see Statement I-A)	8,02 06	1,82,00	1,47,00	I.—Receipts which may be obtained on account of Imperial buildings vacated by the Government of India or attached offices in consequence of the move	...	...	...
2. Temporary Delhi*	54,33	...	...				
3. Initial expenditure of non-Civil Departments:—							
(a) Military Services†	91,20	3,44	5,30	II.—Non-recurring receipts on account of Temporary Works	2	...	...
(b) Railways‡	52,49	24,69	22,22				
4. Non-recurring grant to the Punjab Government in compensation for expenditure incurred on new headquarters buildings for the Commissionership transferred from Delhi	1,36	...	...	III.—Recoveries on account of land or buildings vacated in the old Cantonment of Delhi‖	...	...	...
5. Cost of withdrawal to Delhi of Imperial offices previously located at Calcutta or elsewhere	2,03	...	2,00				
6. Special non-recurring monetary concessions to establishments of the Government of India and attached offices on the occasion of their first move to Delhi	5,22	51	51	IV.—Miscellaneous items	5,99	1,89	2,49
7. Miscellaneous items§	7,65	99	99				
TOTAL	10,16,34	2,11,63	1,78,02	TOTAL	6,01	1,89	2,49
Total Expenditure to end of 1924-25		14,05,99		Total Receipts to end of 1924-25		10,39	
Net Expenditure to end of 1924-25		13,95,60					

* NOTE 1.—The head "Temporary Delhi" has been closed from 1st April 1913, subsequent expenditure being treated as part of the expenditure of the Delhi Province—see Part II of Account.

† NOTE 2.—The expenditure included under item 3 (*a*) is that relating to the formation of the new cantonment. Its details are as follows:—

	To end of 1922-23.	Revised, 1923-24.	Budget, 1924-25.
Acquisition of land	13,10	10	...
Cost of buildings	69,86	2,99	4,81
Establishment charges	6,27	27	44
Tools and Plants	1,97	8	5
TOTAL	91,20	3,44	5,30

‡ NOTE 3.—The figures relate to charges for the acquisition of land and outlay on railway facilities at Nangal Raya. Item 3 (b) includes figures on account of Delhi New Capital Railway Works also.

§ NOTE 4.—The expenditure shown against item 7 represents mainly the proportionate cost of the Deputy Accountant General, Central Revenues, Delhi, and the cost of temporary establishments employed in the Secretariats and Government Central Press in connection with the change of Capital.

‖ NOTE 5.—These heads will record only actual receipts obtained from the sale of the vacated buildings and land. As explained in paragraph 10 of the prefatory note, this procedure has the effect of excluding a substantial true saving in respect of rental accommodation. Thus from 1913-14 to 1922-23 the Government of Bengal, by moving their offices into the vacated Imperial buildings in Calcutta, saved ₹7,69,800: partly by being enabled to dispense with private accommodation previously leased, and partly by being relieved from the necessity of renting further accommodation.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of Rupees.]

Expenditure.	Actuals, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.	Receipts.	Actuals, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
1. Expenditure of Delhi Province* . .	56,12	50,93	51,71	I.—Revenue of Delhi Province* . . .	30,64	30,11	30,37
				II.—Saving under Calcutta house allowances	48	46	45
2. Miscellaneous items .	42	50	44	III.—Saving under hill journey and travelling allowances and contingencies on account of shorter move of Secretariat and attached offices† . . .	2,50	2,50	2,50
				IV.—Miscellaneous items . . .	3	3	3
Total Expenditure .	56,54	51,43	52,15				
Net Expenditure .	22,91	18,33	18,80	Total Receipts .	33,63	33,10	33,35

*NOTE 1.—The details of this item are given in Statement II-A.

NOTE 2.—The figures shown against item III will be subject to increase as additional offices are successively transferred from Calcutta to Delhi.

†NOTE 3.——The figures shown against item IV to a minimum figure calculated once for all on the assumption that all offices or portions of offices which previously moved between Calcutta and Simla have subsequently moved regularly between Delhi and Simla. The actual saving throughout has been larger owing to certain establishments which previously moved to Calcutta being retained in Simla throughout the cold weather.

STATEMENT I.-A.

Details of Capital outlay on the Delhi Project working up to the total figures shown against item I in Part I of pro formâ *account.*

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1922-23.	Revised Estimate, 1923-4.	Budget Estimate, 1924-25.
A.—Salaries and allowances—			
(*a*) Preliminary Investigation—			
(*i*) Gazetted officers	2,04	...	...
(*ii*) Non-gazetted officers	14	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(*i*) Gazetted officers	56,33	10,09	9,09
(*ii*) Non-gazetted officers	34,98	7,21	8,13
(*c*) Miscellaneous officers (including all others) employed on the Project—			
(*i*) Gazetted officers	4,19	41	37
(*ii*) Non-gazetted officers	3,02	32	39
B.—Travelling allowances of Officers and Establishment—			
(*a*) Preliminary Investigation—			
(*i*) Gazetted officers	23	...	...
(*ii*) Non-gazetted officers	2	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(*i*) Gazetted officers	5,22	67	67
(*ii*) Non-gazetted officers	3,94	55	55
(*c*) Miscellaneous officers (including all others) employed on the Project—			
(*i*) Gazetted officers	42	9	9
(*ii*) Non-gazetted officers	18	4	4
C.—Supplies, Services and Contingencies—			
(*a*) Preliminary Investigation	51	...	...
(*b*) Public Works and Electrical officers employed on the Project	4,32	64	64
(*c*) Miscellaneous officers employed on the Project	42	1	1
Less—On account of Exchange	...	1,48	1,15
Total A, B and C	1,15,06	21,51	21,13
Deduct—Credits from other heads of accounts	*23,86*	*2,64*	*4,47*
Net Total A, B and C carried over	91,20	18,87	16,66

Details of Capital outlay on the Delhi Project working up to the total figures shown against item I in Part I of pro formâ *account*—contd.

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
Brought forward	91,20	18,87	16,66
D.—Works Expenditure—			
(*i*) Buildings—			
(*a*) Government House	40,49	13,50	20,00
(*b*) Secretariat	63,06	26,80	35,00
(*c*) Other buildings	1,33,96	29,00	59,18
(*d*) Legislative Chambers	7,89	13,36	30,00
(*ii*) Communications	18,34	6,50	7,05
(*iii*) Miscellaneous Public Improvements	9,48	2,50	6,45
(*iv*) Electric Light and Power	22,52	11,70	15,00
(*v*) Irrigation	31,08	7,07	2,50
(*vi*) Sanitation including storm-water drains, sewage and sewage disposal, water-supply, and conservancy	69,29	20,75	17,00
(*vii*) Tools and plants	77,31	6,00	1,80
(*viii*) Stock and Suspense	86,01	5,21	—25,00
(*ix*) Miscellaneous including surveys camps and general preliminary expenditure connected with works	83,16	7,68	—3,00
(*x*) Maintenance during construction	43,32	11,50	11,00
(*xi*) Railway diversion	11,63	4,39	—1,75
E—Acquisition of land taken up for the Project	33,62	17	...
F.—Other Miscellaneous expenditure	6	...	...
Reserve for fluctuation in Exchange	...	...	1,50
Minus Reserve	...	...	—43,39
Deduct—Receipts on Capital Account	*25,36*	*3,00*	*3,00*
TOTAL	8,02,06	1,82,00	1,47,00

STATEMENT II-A.

Revenue and Expenditure of Delhi Province.

[Figures in thousands of Rupees.]

REVENUE.				EXPENDITURE.			
Major heads of Account.	Actuals, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.	Major heads of Account.	Actuals, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
I.—Customs	1,41	1,34	1,34	2. Taxes on Income	15	16	23
II.—Taxes on Income	8,27	8,00	8,00	5. Land Revenue	38	36	36
IV.—Opium	23	28	28	6. Excise	16	11	11
V.—Land Revenue	3,32	3,47	3,47	7. Stamps	11	11	11
VI.—Excise	4,50	4,44	4,44	9 Registration	8	9	9
VII.—Stamps	7,21	7,97	7,97	15. Miscellaneous Irrigation Expenditure	2	27	30
IX.—Registration	43	41	41	22. General Administration	3,05	3,50	3,26
XIV.—Irrigation works for which no capital accounts are kept	6	5	5	23. Audit (a)	45	53	44
XVI.—Interest	10	18	18	24. Administration of Justice	1,83	1,75	1,80
XVII.—Administration of Justice	36	42	42	25. Jails and Convict settlements	1,19	1,23	1,41
XVIII.—Jails and convict settlements	19	20	20	26. Police	9,60	8,23	8,26
XIX.—Police	24	13	14	28. Ecclesiastical	32	43	45
XXI.—Education	15	15	15	29. Political	1	1	1
XXII.—Medical	9	8	8	30. Scientific Departments	33	1	1
XXVI.—Miscellaneous Departments	6	4	5	31. Education	4,42	5,30	5,25
XXX.—Civil works	2,44	2,00	2,23	32. Medical	3,47	3,31	3,41
XXXIII.—Receipts in aid of Superannuation, etc.	4	6	6	33. Public Health	54	72	77
XXXIV.—Stationery and Printing	7	8	8	34. Agriculture	30	17	18
XXXV.—Miscellaneous	1,36	81	82	35. Industries	4	2	3
				37. Miscellaneous Departments	...	...	...
				38. Currency	4	5	5
				41. Civil Works	15,91	13,60	12,32
				41. Civil Works—Viceregal Estates Delhi	1,57	1,55	1,65
				44. Territorial and Political Pensions	46	48	48
				45. Superannuation, etc.	2,58	3,01	3,14
				46. Stationery and Printing	8	9	9
				47. Miscellaneous	7,46	3,46	4,91
				Refunds	1,52	2,36	2,34
TOTAL	30,62	30,11	30,37	TOTAL	56,12	50,93	51,71

(a) Exclusive of the portion of the cost of the office of the Deputy Accountant General, Central Revenues, Delhi, debitable to Part I.

APPENDIX II.

COMMERCIAL AND FINANCIAL STATISTICS.

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COMMERCIAL AND

TABLE I—

		1915-1916.	1916-1917.	Item Number.
Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works, Telegraphs and the Delhi Capital not charged against Revenue—				
Surplus	R	...	11,21,72,550	1
Deficit	R	1,78,32,915	...	2
Capital Expenditure on Railways and Irrigation Works not charged against Revenue	R	8,36,35,975	3,57,66,465	3
Capital charge involved in the purchase of Railways	R	...	...	4
Capital outlay on the Indian Postal and Telegraph Department not charged against Revenue	R	...	...	5
Initial Expenditure on New Capital at Delhi	R	49,69,110	36,64,455	6
India's Financial Contribution to the War	R	...	...	7
Net Public Debt incurred	R	3,56,07,510	11,56,72,620	8
Net Public Debt incurred, including Capital transactions with Railway Companies	R	8,64,25,637	11,39,52,367	9
Value of commodities exported, excluding Gold and Silver	R	1,99,48,00,000	2,47,37,70,000	10
Value of commodities imported, excluding Gold and Silver	R	1,38,16,90,000	1,60,24,80,000	11
Excess of Exports over Imports, excluding Gold and Silver	R	61,31,10,000	87,12,80,000	12
Net Imports of Gold	R	†—1,10,90,000	13,23,50,000	13
Ditto of Silver	R	4,83,00,000	18,80,00,000	14
TOTAL NET IMPORTS OF GOLD AND SILVER	R	3,72,10,000	32,03,50,000	15
Excess of Exports over Imports including Gold and Silver	R	57,59,00,000	55,09,30,000	16
Net Imports of Currency Notes*	R	...	...	17
Excess of Exports over Imports including Gold, Silver and Currency Notes	R	57,59,00,000	55,09,30,000	18
Secretary of State's Bills sold (Rupees)	R	§ 30,36,57,171 (*a*)	§49,04,34,364 (*a*)	19
Sterling Equivalent received	£	§ 20,354,517 (*a*)	§32,998,095 (*a*)	20
Silver coined at the Indian Mints	R	1,62,02,199	30,77,07,326	21
Maximum price in pence of an oz. troy standard Silver in London		$26\frac{1}{16}$ (31st March 1916).	$3\frac{7}{816}$ (13th Feby. 1917).	22
Minimum price in pence of an oz. troy standard Silver in London		$22\frac{1}{4}$ (5th Aug. 1915).	2 (10th July 1916).	23
Average Exchange upon Secretary of State's Bills sold per rupee		1s. 4·087d.	1s. 4·148d.	24

*Recorded from
†Represents net
§Include remittances of the
(*a*) Include remittances of the
(*b*) Figures for 11 months
(*c*) Net

Item Number.	1917-1918.	1918-1919.	1919-1920.
1	12,13,06,110	...	...
2	...	5,73,06,135	23,65,28,825
3	5,91,63,825	7,64,13,316	14,42,99,228
4	...	...	...
5	...	...	...
6	37,58,145	42,86,895	50,35,427
7	1,50,00,00,000	...	...
8	1,73,76,00,090	11.47,30,575	8,90,70,517
9	1,72,94,94,174	10,22,96,861	8,22,22,396
10	2,44,90,40,000	2,55,30,90,000	3,36,02,20,000
11	1,64,35,50,000	1,88,56,10,000	2,21,70,20,000
12	80,54,90,000	66,74,70,000	1,14,32,00,000
13	25,17,80,000	†—5,50,40,000	35,33,00,000
14	19,04,20,000	67,91,90,000	29,22,90,000
15	44,22,00,000	62,35,50,000	64,55,90,000
16	36,32,90,000	4,39,20,000	49,76,10,000
17	...	...	...
18	36,32,90,000	4,39,20,000	49,76,10,000
19	§50,64,67,176(*a*)	(*a*) 28,65,41,000	34,54,98,000
20	§24,880,682(*a*)	(*a*) 20,946,314	31,226,219
21	23,87,07,287	52,05,35,309	37,72,19,758
22	55 (21st to 24th Septr. 1917).	50 (28th March 1919).	89¼ (11th Feb. 1920).
23	$36\frac{9}{16}$ (13th to 17th April 1917).	45¼ (8th to 10th Apl. 1918).	$48\frac{9}{16}$ (4th April and 6th May 1919).
24	1s. 4·536*d*.	1s. 5·544*d*.	1s. 9·691*d*.

1920-1921.	1921-1922.	1922-1923.	Item Number.
...	...	...	1
26,00,85,276	27,65,01,700	15,01,76,392	2
26,55,72,106	22,97,57,115	18,45,67,524	3
...	...	...	4
...	81,61,617	65,62,006	5
1,25,75,011	1,35,27,418	1,84,79,432	6
...	...	...	7
52,34,07,498	49,19,30,108	25,61,19,053	8
51,76,91,284	49,75,33,002	25,26,11,589	9
2,67,76,80,000	2,48,65,80,000	3,16,07,20,000	10
3,47,57,40,000	2,82,59,80,000	2,46,19,20,000	11
(c)—79,80,60,000	(c)—33,94,00,000	69,88,00,000	12
2,10,80,000	†—2,66,40,000	41,19,10,000	13
6,48,40,000	15,09,60,000	18,35,40,000	14
8,59,20,000	12,23,20,000	59,54,50,000	15
(c)—88,39,80,000	(c)—46,17,20,000	10,33,50,000	16
...	...	1,01,70,000	17
(c)—88,39,80,000	(c)—46,17,20,000	9,31,80,000	18
...	..	3,75,00,000	19
...	...	2,57,025	20
3,41,30,039	1,60,96,638	62,75,446	21
72½ (7th April 1920).	43¾ (27th Sept. 1921).	37½ (22nd May 1922).	22
80½ (5th March 1921).	32½ (28th Feb. & 2nd Mar. 1922).	30½ (15th Dec. 1922).	23
...		...	24

dix II.

FINANCIAL STATISTICS.

MISCELLANEOUS.

Item Number.	1923-1924, Revised.	1924-1925, Budget.	
1	2,06,07,000	18,47,000	Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works, Telegraphs and the Delhi Capital not charged against Revenue— Surplus . . . . . R
2	...	...	Deficit . . . . . R
3	28,60,71,000	30,00,00,000	Capital Expenditure on Railways and Irrigation Works not charged against Revenue . . . . . R
4	...	27,07,03,000	Capital charge involved in the purchase of Railways R
5	96,05,000	1,73,09,000	Capital outlay on the Indian Postal and Telegraph Department not charged against Revenue . . R
6	1,83,00,000	1,47,00,000	Initial Expenditure on new Capital at Delhi . . R
7	...	...	India's Financial Contribution to the War . . R
8	17,75,89,000	34,72,62,000	Net Public Debt incurred . . . . . R
9	16,71,82,000	34,08,00,000	Net Public Debt incurred, including Capital transactions with Railway Companies . . . . . R
10	(b) 3,21,13,50,000		Value of commodities exported, excluding Gold and Silver . . . . . R
11	(b) 2,17,46,10,000		Value of commodities imported, excluding Gold and Silver . . . . . R
12	(b) 1,03,67,40,000		Excess of Exports over Imports, excluding Gold and Silver . . . . . R
13	(b) 26,20,60,000		Net Imports of Gold . . . . . R
14	(b) 17,05,70,000		Ditto of Silver . . . . . R
15	(b) 43,86,30,000		TOTAL NET IMPORTS OF GOLD AND SILVER . . R
16	(b) 59,81,10,000		Excess of Exports over Imports including Gold and Silver . . . . . R
17	(b) 1,63,50,000		Net Imports of Currency Notes* . . . . R
18	(b) 58,17,60,000		Excess of Exports over Imports, including Gold, Silver and Currency Notes . . . . . R
19	12,68,50,000		Secretary of State's Bills sold (Rupees) . . . R
20	8,738,704		Sterling Equivalent received . . . . . £
21	40,61,005		Silver coined at the Indian Mints . . . . R
22	$34\frac{1}{16}$ (3rd and 5th Jan., 13th and 14th Feb. 1924).		Maximum price in pence of an oz. troy standard Silver in London.
23	$30\frac{7}{16}$ (13th July 1923)		Minimum price in pence of an oz. troy standard Silver in London..
24	...		Average Exchange upon Secretary of State's Bills sold per rupee.

April 1922.
exports of gold.
Gold Standard Reserve.
Currency Department.
April to February).
imports.

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COMMERCIAL AND

TABLE I—

	1915-1916.	1916-1917.	Item Number.
Average of the daily telegraphic transfer rates from Calcutta on London	...	...	25
Rate of Exchange for the adjustment of transactions between the Indian and Imperial Governments	1s. 4d.	1s. 4d.	26
Maximum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta	8 (20th Jan. 1916 to 31st March 1916).	8 (1st to 13th April 1916 and 9th Nov. 1916 to 21st Feb. 1917).	27
Minimum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta	5 (2nd June to 22nd Sept.).	5 (22nd June to 13th Sept).	28
Maximum rate of discount at the Bank of England.	5 (1st Apl. 1915 to 31st Mar. 1916).	6 (13th July 1916 to 17th Jany. 1917).	29
Minimum ditto ditto		5 (1st April to 12th July 1916).	30
Maximum Government balances at the Imperial Bank of India R	8,87,07,000 (Aug.).	10,11,66,000(Mar.)	31
Minimum Government balances at the Imperial Bank of India R	4,42,76,000 (Nov.).	4,84,33,000 (May)	32
Maximum price in Calcutta of 5 per cent. War Loan, 1920—47	...	...	33
Minimum price in Calcutta of 5 per cent. War Loan, 1929—47	...	...	34
Maximum price in Calcutta of 5 per cent. income-tax free loan, 1945—55	...	...	35
Minimum price in Calcutta of 5 per cent. income-tax free loan, 1945—55	...	...	36
Maximum price in Calcutta of Government 3½ per cent. Rupee Securities (Guaranteed)	93-2 (5th to 11th June 1915.) (a)	82 (7th and 11th to 14th April 1916).	37
Minimum price in Calcutta of Government 3½ per cent. Rupee Securities (Guaranteed)	79½ (23rd Dec. 1915 to 6th Jan. 1916).	69 (22nd Feb. to 2nd March and 20th to 31st March 1917).	38
Maximum price in Calcutta of 3 per cent. Rupee Securities	80 (1st Apl. to 28th June 1915).	70 (5th to 20th April 1916).	39
Minimum price in Calcutta of 3 per cent. Rupee Securities	67½ (23rd Dec. 1915 to 6th Jan. 1916).	59 (22nd Feb. to 2nd March and 20th to 31st March 1917).	40

Item Number.	1917-1918.	1918-1919.	1919-1920.
25	...	...	...
26	1s. 4d. and 1s. 5d.	1s. 5d. and 1s. 6d.	1s. 6d., 1s. 8d., 2s 4d. and 2s. 9d.
27	6 (1st April to 6th Sept. 1917 and 3rd Jany. to 31st March 1918).	7 (16th Jan. to 26th Mar. 1919).	7 (12th to 31st Mar. 1920).
28	5 (7th Sept. 1917 to 2nd Jany. 1918).	5 (23rd May to 6th Nov. 1918).	5 (5th June 1919 to 14th Jan. 1920).
29	5½ (2nd to 4th April 1917).	5 (1st Apl. 1918 to 31st Mar. 1919).	6 (6th Nov. 1919 to 31st Mar. 1920).
30	5 (5th April 1917 to 31st March 1918).		5 (1st April 1919 to 5th Nov. 1919).
31	22,65,24,000 (June)	18,60,47,000 (Sept.)	18,26,33,000 (Feb.)
32	7,37,68,000 (Nov.)	6,54,69,000 (Apl.)	7,04,52,000 (Sept.)
33	...	93	96
34	...	90	90
35	...	...	95½ to 96
36	...	...	
37	70 (6th to 14th Sep. and 31st Oct. 1917 to 17th Feb. 1918).	81 (7th to 21st Nov. 1918).	71 (1st April to 17th May 1919).
38	67 (20th June to 24th Augt. 1917).	65 (3rd May to 24th June 1918).	60 (27th Feb. to 31st Mar. 1920).
39	60 (6th to 14th Sep. and 31st Oct. to 16th March 1918).	69 (5th to 22nd Nov. 1918).	62 (1st April to 17th May 1919).
40	57 (20th June to 24th Augt. 1917).	58 (11th Apl. to 24th June 1918).	50 (27th Feb. to 31st Mar. 1920).

1920-1921.	1921-1922.	1922-1923.	Item Number.
1s. 8·66d.	1s. 3·85d.	1s. 3·76d.	25
2s. 8d., 2s. 4d., 2s. 2¼d., 2s., 1s. 11d., 1s. 10½d., 1s. 8½d., 1s. 5½d., 1s. 6d. & 1s. 4¼d.	1s. 3¼d., 1s. 3½d., 1s. 3¾d., 1s. 4d., 1s. 4½d., 1s. 5d., and 1s. 5½d.	1s. 3½d., 1s. 3½d., 1s. 3¾d., 1s. 4d., and 1s. 4½d.	26
7 (1st Apl. to 9th June 1920, 18th Nov. 1920 to 2nd Mar. 1921).	8 (16th Feb. to 31st Mar. 1922).	8 (1st to 26th April 1922 and from 11th Jan. to 31st March 1923).	27
5 (1st July to 3rd Nov. 1920).	5 (2nd June to 14th Dec. 1921).	4 (6th July to 25th Oct. 1922).	28
7 (15th April 1920 to 31st Mar. 1921).	7 (1st Apl. to 1st May 1921).	4½ (1st to 12th April 1922).	29
6 (1st to 14th April 1920).	4½ (16th Feb. to 31st March 1922).	3 (13th July 1922 to 31st March 1923).	30
20,38,41,000 (July)	25,87,46,000 (31st July).	33,19,07,000 (28th July).	31
5,84,98,000 (Feb.)	5,34,64,000 (18th Nov).	8,22,54,000 (10th Nov.).	32
90	87	88—8	33
77	78	81—6	34
95½ to 96	89	93—8	35
78½	80	87	36
60 (1st to 16th April 1920 and 5th to 15th January 1921).	62 (30th & 31st May 1921).	61—4 (22nd and 23rd March 1923).	37
52 (1st Nov. to 22nd Dec. 1920).	55-10 (from 3rd March 1922).	55—8 (1st to 17th April 1922).	38
50 (1st April to 5th Oct. 1920 and 5th to 15th January 1921).	53 (31st May & 1st June 1921).	52—8 (22nd and 23rd March 1923).	39
42 (1st Nov. to 22nd Dec. 1920).	47 (1st to 4th Apl. 1921).	47—12 (1st to 18th April 1922).	40

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FINANCIAL STATISTICS—*contd.*

MISCELLANEOUS—*contd.*

Item Number.	1923-1924, Revised.	1924-1925, Budget.	
25	1*s.* 4½*d.* (estc.)		Average of the daily telegraphic transfer rates from Calcutta on London
26	1*s.* 4*d.*, 1*s.* 4⅛*d.*, 1*s.* 4¼*d.*, 1*s.* 5*d.*, and 1*s.* 5⅛*d.*		Rate of Exchange for the adjustment of transactions between the Indian and Imperial Governments.
27	9 from (14th Feb. 1924).		Maximum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta.
28	4 (28th June to 14th Nov. 1923).		Minimum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta.
29	4 (since 5th July 1923).		Maximum rate of discount at the Bank of England.
30	3 (1st April to 4th July 1923)		Minimum ditto ditto.
31	20,74,54,000 (20th July).		Maximum Government balances at the Imperial Bank of India . . . . . R
32	6,22,60,000 (6th Nov.)		Minimum Government balances at the Imperial Bank of India . . . . . R
33	93—10		Maximum price in Calcutta of 5 per cent. War Loan 1929—47.
34	87—12		Minimum price in Calcutta of 5 per cent. War Loan 1929—47.
35	98—10		Maximum price in Calcutta of 5 per cent. income-tax free loan, 1945—55
36	93—2		Minimum price in Calcutta of 5 per cent. income-tax free loan, 1945—55.
37	67—3 (8th Mar. 1924.)		Maximum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed).
38	61 (3rd to 5th Mar. 1923)-		Minimum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed).
39	57—3 (12th Feb. 1924).		Maximum price in Calcutta of 3 per cent. Rupee Securities.
40	51—14 (3rd to 5th April 1923).		Minimum price in Calcutta of 3 per cent. Rupee Securities.

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TABLE I—

		1915-1916.	1916-1917.	Item Number
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts	R	9,66,98,000 (Apl.)	8,76,76,000 (Apl.)	41
Minimum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts	R	8,81,17,000 (Dec.)	8,30,42,000 (Mar.)	42
Maximum price in London of 3½ per cent. (Rupee Securities in Gold)		No quotation.	No quotation.	43
Minimum price in London of 3½ per cent. (Rupee Securities in Gold)				44
Maximum price in London of India 3½ per cent. Stock		82⅛ (May)	80⅜	45
Minimum ditto ditto		80⅜ (Apl.)	62¼	46
Maximum price in London of India 3 per cent. Stock		70¼ (Apl.)	69⅜	47
Minimum ditto ditto		69¼ (Apl.)	55¼	48
Maximum price in London of India 2½ per cent. Stock		59⅝ (Apl.)	57⅓	49
Minimum ditto ditto		57 (May)	47	50
Maximum price in London of 7 per cent. Stock		...	...	51
Minimum ditto ditto		...	...	52
Maximum price in London of 5½ per cent. Stock		...	...	53
Minimum ditto ditto		...	...	54
Maximum price in London of 4½ per cent. Stock		...	...	55
Minimum ditto ditto		...	...	56
Maximum Government Paper Currency outstanding	R	68,06,10,000 (July)	86,37,52,000 (Mar.)	57
Minimum ditto ditto	R	60,24,42,000 (Apl.)	65,16,60,000 (Apl.)	58
Number of Post Office Savings Banks		10,386	10,421	59
Number of accounts in Post Office Savings Banks		1,660,424	1,647,419	60
Amount deposited in Savings Banks	R	15,32,12,517	16,59,53,401	61
Average of each deposit		6,194	100·78	62
Net addition to deposits	R	42,89 2·27	1,27,40,884	63

Item Number.	1917-1918.	1918-1919	1919-1920.
41	8,06,95,000 (Apl.)	8,17,24,000 (Mar.)	8,16,74,000 (Apl.)
42	7,47,56,000 (Mar.)	7,34,70,000 (July)	7,43,58,000(Dec.)
43	52	54	74
44	44⅜	44	49½
45	69¾	74	69¾
46	61¾	62	54½
47	60½	64	60¼
48	53	53¼	47½
49	50	53¾	50¾
50	45⅛	44⅜	40
51	...	...	...
52	...	...	...
53	...	...	...
54	...	...	...
55	...	...	...
56	...	...	...
57	11,47,87,000 (Oct.)	1,53,46,48,000 (Mar.)	1,85,14,79,000 (Jan.)
58	82,72,35,000 (Apl.)	1,05,96,05,000 (Apl.)	1,53,72,07,000 (April)
59	10,975	10,587	10,670
60	1,637,600	1,677,467	1,760,442
61	16,58,46,470	18,82,44,749	21,34,84,628
62	101·27	112·22	121·26
63	—1,06,981	2,23,38,273	2,52,39,787

1920-1921.	1921-1922.	1922-1923.	Item Number.
6,65,19,000(Apl.)	7,30,08,000(Feb.)	10,50,48,000 (Nov.)	41
6,13,12,000 (Sep.)	6,36,30,000 (Apl.)	9,68,19,000 (May.)	42
63¾	42½	39	43
33½	34½	34	44
61	63½	69⅜	45
51½	55½	62½	46
53	55½	59½	47
43½	47½	53½	48
43	40⅝	50⅛	49
37⅝	39¾	44½	50
...	108¼	119½	51
...	102½	108	52
...	94½	102⅛	53
...	89⅜	93⅞	54
...	...	88½	55
...	...	83⅝	56
1,70,73,89,000 (April)	1,79,71,40,000 (Oct).	1,82,26,25,000 (Aug.).	57
1,57,62,82,000 (Sept.)	1,67,31,85,000 (Apl.).	1,71,76,07,000 (April).	58
10,713	10,758	10,739	59
18,77,957	19,58,324	20,43,502	60
22,86,21,716	22,26,24,825	23,19,98,761	61
121·73	113·68	113·52	62
1,51,37,088	- 59,96,891	93,73,936	63

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FINANCIAL STATISTICS—*concld.*

MISCELLANEOUS—*concld.*

Item Number	1923-1924, Revised.	1924-1925, Budget.	
41	10,80,92,000 (Oct.)		Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts . R
42	10,36,29,000 (June)		Minimum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts . R
43	45		Maximum price in London of 3½ per cent. (Rupee Securities in Gold).
44	39¼		Minimum price in London of 3½ per cent. (Rupee Securities in Gold).
45	72½		Maximum price in London of India 3½ per cent. Stock.
46	61¼		Minimum ditto ditto.
47	62¼		Maximum price in London of India 3 per cent. Stock.
48	52¾		Minimum ditto ditto.
49	52¾		Maximum price in London of India 2½ per cent. Stock.
50	45¾		Minimum ditto ditto.
51	124		Maximum price in London of 7 per cent. Stock.
52	110¾		Minimum ditto ditto.
53	105		Maximum price in London of 5½ per cent. Stock.
54	99		Minimum ditto ditto.
55	93		Maximum price in London of 4½ per cent Stock.
56	82¾		Minimum ditto ditto.
57	1,81,01,71,000 (Jan.)		Maximum Government Paper Currency outstanding R
58	1,71,23,35,000 (May)		Minimum ditto ditto R
59			Number of Post Office Savings Banks.
60			Number of accounts in Post Office Savings Banks.
61			Amount deposited in Savings Banks . . . R
62			Average of each deposit.
63			Net addition to deposits . . . . . R

EXPLANATORY MEMORANDUM OF THE RAILWAY BUDGET FOR 1924-25.

1. The object of this memorandum is to explain the main features of the Railway Budget as embodied in the statement of demands passed by the Legislature.

2. CAPITAL (Head of Account " 53—Construction of State Railways ") and PROGRAMME REVENUE EXPENDITURE, *i.e.*, expenditure on renewals and replacements, (Part of Head of Account XI). In March 1922 the Legislative Assembly decided that provision should be made for Capital expenditure of 30 crores per annum, or a total of 150 crores in the next five years; that the whole of this money should be devoted to the rehabilitation and improvement of existing lines and to the completion of lines already in hand; and that there should be no lapse of the money voted for any year and not spent within the year, any sums unspent being carried to the credit of the Railway Administration from year to year to the end of the quinquennium. The carry over from 1922-23 under these arrangements was expected to amount to 8·64 crores and the Capital grant for the current year was accordingly fixed at 38·64 crores. At the same time the grant for Programme Revenue, for which a provision of 11·50 crores was originally suggested, was on consideration of the Indian Retrenchment Committee's recommendations reduced to 9 crores.

Out of these sums of 38·64 crores Capital, and 9 crores Programme Revenue, only 23·61 crores Capital and 7·30 crores Programme Revenue are likely to be spent in 1923-24.

3. For an understanding of the failure to spend the Capital grant by so large a sum as 15 crores, it is first of all necessary to recognise that in dealing with a rehabilitation programme Capital and Programme Revenue expenditure are interdependent, and that a guarantee of the capital required, such as the Assembly has given, is in itself insufficient, unless there is a similar guarantee that funds for the concurrent revenue expenditure will be forthcoming. This will be clear if the implications of a programme for spending 150 crores of Capital are realised. Such a programme is in reality one for spending a total sum, not of 150 crores, but of 212 crores on the rehabilitation of railways, the additional 62 crores being the revenue portion of the programme. For when, for example, renewals are carried out with heavier rails, or existing locomotives are replaced by a more powerful type, in order to meet the requirements of modern traffic, such portion of the expenditure as represents mere replacement or renewal on existing standards and not an improvement on those standards must be charged to revenue. There is therefore a close relation between Capital and Revenue (programme) expenditure on projects of rehabilitation and improvement, a ratio which naturally varies for individual projects, but on the 150 crores programme as a whole may be taken as approximately 5 to 2.

Judged by these considerations, it would only have been possible to spend on rehabilitation and improvements to existing lines a Capital grant of 38·64 crores, if some 15 crores had been provided for Programme Revenue expenditure; but it was hoped that it would be possible to carry through the year's programme of spending 38·64 crores capital with a revenue grant of only 11·50 crores, as originally suggested, since some portion of the 38·64 crores was to be devoted, not to open line works but to the

completion of new lines. But, for the reasons which have been given, the reduction to 9 crores of the provision for Programme Revenue, automatically limited to some 23 crores the amount which could economically be spent on open line facilities.

4. But this reduction last March from 11·50 to 9 crores in the grant for Programme Revenue had a further result; for it could not be intimated to Railway Administrations until April, and they had consequently to undertake after the year had begun an almost complete revision of their proposals for rehabilitation expenditure during the year. It will be realised that if money is to be spent economically on railways, whether on Capital or Programme Revenue account, plans must be laid well ahead, estimates must be prepared well in advance and timely arrangements must be made for engaging the necessary staff, and obtaining the necessary materials. It will also, it is hoped, be realised from what has already been said that a large and late reduction in the grant for Programme Revenue expenditure which Railway Administrations have expected to obtain must dislocate not only their plan of operations for the year, but also their working arrangements. It is impossible to isolate many of the different items included in a railway programme of rehabilitation since individual schemes are so frequently interlinked, and dependent upon one another. The provision of heavier locomotives requires the provision of heavier rails and the strengthening of girders and bridges; even additional rolling stock, or the doubling of lines, measures the cost of which is debited entirely to capital, often mean the reconstruction of railway yards and railway workshops, for the carrying out of which revenue expenditure is involved. It is, therefore, no easy matter, when a cut is made at a late stage in the provision for Programme Revenue, to decide which particular items can be best omitted; and the time spent in revising the whole plan of operations is time lost in carrying out the actual work, rendering it very difficult, if not impossible, to spend economically even the reduced allotment for Programme Revenue, with a consequent further limitation on the possible economical expenditure of Capital.

It is not, however, suggested that the reduction by 2·50 crores in the grant for Programme Revenue, though by itself it would probably have produced these results, was the only factor at play. The whole rehabilitation programme had, any event, to be revised and overhauled in accordance with the recommendations of the Indian Retrenchment Committee. This revision has been undertaken and has resulted in considerable alteration of the preliminary allocation of the 150 crores between the different railways. The re-examination is not yet complete, but it is sufficiently advanced to determine the programme to be adopted on the various railway systems for the next year or two. On each railway system an attempt has been made to determine the total amount of additional capital that can profitably be expended, having regard to the probable increase in traffic and net earnings. Under this system proposals for additional facilities have now to be justified by reasonable expectations of increased traffic. Where the existing facilities appear adequate for dealing with the traffic likely to be forthcoming during the period covered by the programme, expenditure is now restricted to works required to maintain the safety of the line, to works which will have the effect of reducing working expenses, and to works for the greater convenience and comfort of passengers, particularly of the 3rd class, on which the Assembly has decided that expenditure is desirable.

Further the Railway Board have now adopted definite standards by which proposals for an increase in rolling stock have to be judged and before accepting them require to be satisfied that the full amount of work is being taken from the existing stock. Similarly definite standards of normal life have been laid down for the various classes of railway stock and equipment, and proposals for renewals have now to be justified with reference to the age of the stock or equipment and to the possibility of retaining it economically in use beyond the period of its normal life. But the revision of the programme in accordance with these arrangements has necessarily occupied a good deal of time, and though they should gradually speed up the work of rehabilitation and secure that money allotted will be spent both fully and economically, they have inevitably retarded progress in the year which has been devoted to their inception.

5. Though of less importance than those explained in the two previous paragraphs, a further cause of the slow rate of expenditure this year both from the Capital and Programme Revenue grants deserves a mention. The inauguration on a large scale of a scheme for rehabilitation and improvement necessarily finds railway administrations without the detailed estimates of projects without which and an allotment of funds work cannot be started; and in the absence of any certainty as to budget provision for Programme Revenue as well as Capital the preparation of such estimates cannot profitably be undertaken, nor can satisfactory arrangements be made for any scheme, the expenditure on which will be spread over a series of years. Consequently a good deal less than half the programme in the current year's budget was for sanctioned works; for the remainder no estimates were ready. It is partly owing to this difficulty that the sums provided in the budgets of recent years, both for Capital and Programme Revenue, have always been underspent. The aim is in future to make the budget provision largely an estimate of the amount likely to be spent on sanctioned works included in the programme, rather than, as at present, the budget provision itself restricting or determining the amount for which estimates may be prepared.

6. It is for these reasons that a lapse of 1·70 crores now seems probable in the grant of 9 crores for Programme Revenue and a lapse of 15·03 crores in the Capital grant of 38·64 crores. The lapse in the Capital grant would, in fact, have been greater, since only 19·14 crores are likely to be spent this year on open line facilities; but 4·47 crores are also being spent on lines under construction.

7. In the Budget for 1924-25 provision is made for Capital expenditure of 30 crores. Of this sum 22·83 crores are expected to be required for open line facilities and rolling stock, with a consequent provision of 10·13 crores for Programme Revenue expenditure excluding customs duty charges. The construction of new lines and lines already in progress will require 4·53 crores; and 2·64 crores, or if the anticipated reduction of 2·80 crores in stores balances is added, 5·44 crores remain at present unallocated in the budget to specific purposes. Railway Administrations have already been asked to make arrangements for the preparation of estimates for, and the completion of, approved schemes as expeditiously and economically as possible; and have been assured that, if they require additional funds, they need anticipate no difficulty in obtaining them; but that, if the programme is accelerated, proposals will be laid before the Assembly in due course for any necessary supplementary grant. In view of this and of the fact

that there are many schemes now under consideration on which it may be possible to spend money remuneratively in the coming year, both on open lines and on lines under construction, it is considered desirable to keep in hand a fairly substantial unappropriated sum for capital expenditure.

8. The details of the total Capital expenditure on State Railways worked by the State and Companies in each of the three years from 1922-23 to 1924-25 are as follows:—

Items.		Actuals, 1922-23.	1923-24.		Budget, 1924-25.
			Budget.	Revised.	
(a) England	£	9,868,149	19,000,000	10,775,200	11,568,400
	R'	9,86,81,493	19,00,00,000	10,77,52,000	11,56,84,000
(b) India	R	3,37,08,959	10,13,95,000	7,93,34,000	13,42,44,000
	R	13,23,90,452	29,13,95,000	18,70,86,000	24,99,28,000
(c) Exchange	R	5,19,51,853	9,50,00,000	4,89,78,000	5,00,72,000
	R	18,43,42,305	38,63,95,000	23,60,64,000	30,00,00,000

9. The following table compares the allotments made for open lines and lines under construction in 1924-25 with those of previous years:—

[000 omitted.]

Items.	Actuals, 1922-23.	Revised, 1923-24.	Budget, 1924-25.
	Rs.	Rs.	Rs.
1) Open Lines including rolling stock	11,17,56	14,15,77	19,97,68
2) Lines under construction:—			
(a) Started in previous years	2,01,24	4,51,58	2,31,17
(b) Started in current year	5,10	8,51	2,70,43
(3) Exchange	5,19,52	4,89,78	5,00,72
Total	18,43,42	23,60,64	30,00,00

10. The details of the Budget grant for 1924-25 are shown below:—

(In thousands of rupees.)

Railways.	Open Lines.			Construction of	
	Rolling Stock.	Other Items.	Total	Lines in progress.	New Lines.
State Railways Worked by State.					
1. Aden	45	10	55	...	...
2. Central India Coal Fields	...	...	...	...	50,00
3. Delhi (New Capital) Railway Works Scheme.	...	16,99	16,99	...	...
4. Eastern Bengal	24,31	32,24	56,55	...	...
. Jodhpur Hyderabad (British Section)	...	2,73	2,73	...	...
North Western :—					
(i) Main Line	86,19	67,65	1,53,84	...	...
(ii) Frontier Railway Reserve	...	7	7	...	...
(iii) Khyber	...	...	...	19,32	...
Oudh and Rohilkhand	32,62	42,33	74,95	...	...
Store Transactions	...	17	17	...	...
	1,43,57	1,62,28	3,05,85	19,32	50,00
State Railways Worked by Companies.					
9. Assam Bengal (open line)—	8,55	18,46	27,01	...	...
(i) Sibsagar Road—Khawang	...	...	...	...	13,75
10. Bengal Nagpur :—					
(i) Main line	1,08,31	1,35,16	2,43,47	...	...
(ii) Amda Jamda	...	...	...	11,94	...
(iii) Bermo Duneya Section	...	...	...	4,34	...
(iv) South Karanpura Coal Fields	...	...	...	9,73	...
(v) Cuttack Talchir Coal Fields	...	...	...	32,78	...
(vi) Hesla Chandil	...	...	...	51,87	...
11. Bengal and North Western	7,50	7,02	14,52	...	...
12. Bezwada Extension	...	69	69	...	...
13. Bombay, Baroda and Central India :—					
(i) Main line	48,46	1,06,45	1,54,91	...	...
(ii) Dholka Dhandhuka	...	...	...	11,00	...
14. Burma :—					
(i) Main line	15,50	23,68	39,18	...	...
(ii) Extensions	...	1,60	1,60	...	...
(iii) Southern Shan States	...	20	20	...	...
(iv) Bauktaw Tadagale	...	...	...	...	4,00
	1,88,32	2,93,26	4,81,58	1,21,66	17,75
Carried over	1,43,57	1,62,28	3,05,85	19,32	50,00

(In thousands of rupees.)

Railways.	Open Line.			Construction of	
	Rolling Stock.	Other Items.	Total.	Line in progress.	New Line.
Brought forward	1,43,57	1,62 28	3,05,85	19,33	50,00
	1,88,32	2,93,26	4,81,58	1,21,66	17,75
15. Burma Provincial Railways—Outlay on—to be taken over by Central Government	...	...	...	55,97	...
16. *East Indian* :—					
(i) Open line	1,52,56	1,37,97	2,90,53	...	...
(ii) Bermo Dunera Section	...	...	...	3,09	...
(iii) South Karanpura Coal Fields	...	...	...	8,45	...
(iv) Chandrapura Gomoh	...	...	...	7,00	...
17. Great Indian Peninsula :—					
(i) Main line	66,91	1,49,64	2,16,55	...	...
(ii) Agra Delhi Chord	...	1,54	1,54	...	...
(iii) Bhopal State	...	...	...	...	...
(iv) Cawnpore Banda	...	...	...	...	...
(v) Baran Kotah	...	...	...	...	...
(vi) Itarsi Nagpore	...	...	...	5,00	...
(vii) Harbour Branch	...	...	...	6,70	...
(viii) Majri Bajur	...	...	...	3,98	...
18. Madras and Southern Mahratta :—					
(i) Main line	56,65	52,80	1,09,45	...	...
(ii) Guntur Tenali	...	5	5	...	...
(iii) Dhone Kurnool	...	5	5	...	...
19. Rohilkhand and Kumaon	28	—52	—24	...	...
20. South Indian :—					
(i) Main line	20,61	71,77	92,38	...	...
(ii) Tinnevelly-Quilon—British Section	...	40	40	...	...
(iii) Tinnevelly-Quilon—Indian Section	3,74	52	4,26	...	...
(iv) Coonoor-Ootacamund	57	10	67	...	...
(v) Shoranur-Nilambur	...	...	...	...	41,00
(vi) Villupuram-Trichinopoly	...	...	...	...	80,00
(vii) Virudupati Tenkasi	...	...	...	...	33,00
	4,89,64	7,07,58	11,97,22	2,11,85	1,71,75
	6,33,21	8,69,86	15,03,07	2,31,17	2,21,75
21. Reserve	...	4,94,61	4,94,61	...	48,68
	6,33,21	13,64,47	19,97,68	2,31,17	2,70,43
Exchange			5,00,50	22	...
Grand Total			24,98,18	2,31,39	2,70,43

11. The distribution of the 30 crores over open line works, rolling stock and new construction is as follows:—

	Rs.
Open Line facilties	16,50,04
Rolling stock	6,33,21
New construction	4,53,14
Reserve	5,43,29
Suspense	—2,79,68
Total	30,00,00

12. *Open line facilities.*—The following statement gives the distribution of the proposed expenditure of 16,50,04 among the various classes of open line works:—

	Rs.
(*a*) Doubling and quadrupling	1,89,03
(*b*) Improved rails and sleepers	72,81
(*c*) Strengthening of bridges	65,56
(*d*) Remodelling of station yeards	3,00.35
(*e*) Additional quarters for Staff	1,50,62
(*f*) Workshops and stores and station buildings	2,20,34
(*g*) Plant and machinery	2,49,71
(*h*) Sidings, diversions, links, etc.	56,25
(*i*) Electrification of lines	1,10,00
(j) Other works	2,28.37
Total	16,50.04

13. (*a*) *Doubling and quadrupling.*—Some of the more important works are on the Bengal Nagpur Railway, where, in order to improve the capacity of the line for coal and other traffic, it is proposed to spend Rs. 37 lakhs on doubling the Anara Kandra, Chakardharpur-Goilkera-Manharpur-Koel Block Hut, Bermo Mohuda, and Tatanagar Khargpur sections. A sum of Rs. 32 lakhs is provided for work on the Grand Chord doubling of the East Indian Railway, Rs. 31 lakhs for quadrupling the Grant Road Borivli Section of the Bombay, Baroda and Central India Railway and Rs. 19 lakhs for doubling the Pyuntaza-Kyungon Section on the Burma Railways. Provision has also been made for an expenditure of Rs. 28 lakhs on the East Indian Railway in laying a second track on the Upper Sone Bridge.

(*b*) *Improved rails and sleepers and* (*c*) *Strengthening of bridges.*—The various allotments under these heads are required for improving the existing track and bridges which are on sections where the standard is below that required for modern loads. The rebuilding of Bassein Bridge on the Bombay, Baroda and Central India Railway for which Rs. 14 lakhs have been provided deserves individual mention.

(*d*) *Remodelling of station yards.*—The remodelling and rearrangement of marshalling yards is in many cases long overdue, and the provision of better marshalling facilities is one of the most urgent necessities for improved

traffic services and to reduce delays to wagons in transit. The more important projects for which allotments are made are:—

	Rs. (lakhs).
Parbatipur (Eastern Bengal Railway)	10
Rawalpindi (North-Western Railway)	8
Lyallpur Locomotive Yard (North-Western Railway)	4
Lucknow (Oudh and Rohilkhand Railway)	7½
Ta'anagar and several other stations on the Bengal Nagpur Railway consequent on the doubling of several sections	40
Victoria Terminus (Great Indian Peninsula Railway)	22
Poona (Great Indian Peninsula Railway)	12
Nagpur (Great Indian Peninsula Railway)	8
Grant Road Terminal arrangement (Bombay, Baroda and Central India Railway)	27
Ahmedabad (Bombay, Baroda and Central India Railway)	6
Bulsar (Bombay, Baroda and Central India Railway)	5

(*e*) *Staff quarters.*—As was explained last year better housing for railway employees is an urgent necessity in many places. The larger schemes on which expenditure is expected next year occur on the Bengal-Nagpur, East Indian, Great Indian Peninsula and North-Western Railways.

(*f*) *Workshop and Stores Buildings and* (*g*) *Plant and Machinery.*—The more important items under this head are the Trichinopoly workshops on the South Indian Railway for which Rs. 68 lakhs have been entered and the new Locomotive workshops at Lucknow (9½ lakhs).

On many railways the workshop equipment and capacity are inadequate for the timely repairs of locomotives and rolling stock and it is one of the most important parts of the policy of rehabilitation to provide improved machinery and ample workshop space to enable repairs to keep pace with deterioration and damages.

(*h*) *Electrification of lines.*—The main item under this head is a sum of one crore for the electrification of the Great Indian Peninsula suburban lines. The remaining Rs. 10 lakhs is for work on the electrification of the suburban lines of the Bombay, Baroda and Central India Railway.

(*i*) *and* (*j*) *Sidings diversions and other works.*—A provision of Rs. 10 lakhs has been made for relaying the Bhagalpur Bausi Railway which was dismantled during the war. Other important classes of work for which grants are allotted are:—

	Rs. (lakhs).
Watering arrangements and water supply on all Railways	25
Acquisition and improvement of collieries	66
Electrical installations at important stations	40½
Overbridges at Delisle Road and Dadar Road (Bombay, Baroda and Central India Railway)	7½

14. *Facilities and amenities for 3rd class passengers.*—This important question is receiving the unremitting attention of the Railway Board and of Railway Administrations; and detailed programmes of measures considered necessary were drawn up last year. They had, however, to be revised

in some respects as a result of the curtailment of the Programme Revenue grant for the current year; and Railway Administrations were instructed to discuss the revised programmes with their local Advisory Committees. Much has been done during the current year, and a liberal provision of Rs. 125 lakhs has been made for such works in the Budget of next year.

15. *Rolling Stock.*—A total sum of Rs. 6·33 crores is proposed to be spent on the provision of additional stock and on the improvement of the existing stock. The distribution of this amount between the various items is shown below:—

	Rs. (crores).
Engines	1·17
Coaches	1·97
Wagons	2·28
Miscellaneous	91
Total	6·33

It is anticipated that the railways will be able to place on the line during next year 79 extra engines, 1,098 additional coaches and 3,271 wagons (in terms of four-wheelers).

16. *New Construction.*—The Indian Retrenchment Committee in paragraph 31 of their Report made the following recommendation with regard to the Capital programme of Rs. 150 crores, authorised for the rehabilitation of the railways in India during the five years ending 1926-27:—

> "If the full amount of the Capital cannot immediately be employed on remunerative works on open lines, it would, in our opinion, be a matter for consideration whether some portion of it could not with advantage be devoted to the construction of new lines promising an adequate return."

It is already clear that the full amount of Rs. 150 crores is not likely to be expended within the quinquennium on rehabilitation and the improvement of existing lines; nor is there at present reason to anticipate difficulty in raising money for new extensions. The Railway Board have accordingly been engaged during the current year in investigating the prospects of all projected railways promising an adequate return; and provision has been made for expenditure on the following new projects during 1924-25:—

(*i*) *South Indian Railway.*—For many years it has been recognised that there is a need for considerable railway extension in this part of the country and several projects for the relief of congestion on the existing lines and for the development of new country have been put forward. In 1921 it was decided to appoint a special officer to investigate the question of railway communication in South India. As a result of the consideration of his report, it has been decided, with the concurrence of the Government of Madras and the sanction of the Secretary of State, to undertake and press forward to early completion the projects mentioned below:—

(*a*) *Villupuram Trichinopoly Chord.*—This line will form an alternative route between Madras and Trichinopoly and will afford such relief to the existing line as will defer the necessity of doubling it for many years. The

new chord will also open up and develop new and populous country. The line will be 100 miles in length. It is estimated to cost Rs. 169 lakhs and to give an immediate return on this expenditure of 5·35 per cent. per annum and a return of 8 per cent. per annum after the chord has been opened for 10 years.

(*b*) *Shoranur Nilambur Railway.*—This extension which is to be constructed on the 5′—6″ gauge will run through the heart of the Moplah country. It is one of the most important measures necessary for the reconstruction of Malabar. The line is 41 miles in length and is estimated to cost Rs. 62 lakhs. The return on the capital invested is expected to be in the neighbourhood of 4 per cent. This does not permit of the line being classed as one "promising an adequate return" in the terms of the recommendation in paragraph 31 of the Report of the Indian Retrenchment Committee. But an arrangement has been arrived at with the Government of Madras (who have pressed for the early construction of the line on administrative grounds) under which they will pay to the Government of India the amount by which the gross earnings fall short of the working expenses and a return on the capital sunk in the line, provided that, if the projected railway eventually proves remunerative, the Madras Government will be re-imbursed the amount paid by them towards the loss incurred in the working of the lines in the earlier years.

(*c*) *Virudupatti Tenkasi Railway.*—This line serves the same objects as the Villupuram Trichinopoly Chord. It is 76 miles in length and is estimated to cost Rs. 58 lakhs. It is expected to pay a return of 4½ per cent. per annum on the capital outlay in the first year after opening and 5½ per cent. after the line has been open for 5 years and local traffic has developed.

(*ii*) *Central India Coalfields Railways.*—In order to meet the demand for additional coal and to relieve congestion on existing railways, the possibility of opening out new coalfields and building railways to serve them has been under careful consideration. The most promising area for this purpose is that lying between the East Indian and the Bengal Nagpur Railways running westward from the Jheria coalfields as far as Katni in the Central Provinces. In this area prospecting for coal has been going on for some time and it has now been proved that good coal in large quantities is available. It is proposed to provide the following lines of railways to provide outlets towards the north and west of India—

(1) Katni to Hutar	17 miles.
(2) Hutar to Hosla	103 ,,
(3) Hutar to Anuppur	188 ,,

These lines of railways are estimated to cost Rs. 915 lakhs and to give a return of nearly 7 per cent. on the capital outlay. There is also the advantage that in ddition to the direct earnings of the projected lines the reduced cost of transporting coal to the West of India will probably save about Rs. 12 lakhs per annum in the freight bill of the Great Indian Peninsula and Bombay, Baroda and Central India Railways.

(*iii*) *Sibsagar Road to Khowang.*—The main object of this line is to give easy communication to a prosperous tea growing area and to open up a considerable area of paddy-growing country. The area to be served by the projected line is at present dependent for communication on transport by rivers which are only navigable during the rainy season and on roads which are almost impassable during the rains. The Assam Government strongly advocate the construction of this line which will be 39 miles long. It is

estimated to cost Rs. 28·40 lakhs and to give a return of 5·86 per cent. on the capital outlay. It will form an integral part of the Assam Bengal Railway.

(*iv*) *Bauktaw-Tadagale.*—This railway will form the first section of the Bauktaw Mingaladon Railway, a line about 11 miles in length which the Government of Burma desire to see constructed chiefly on account of the growth of the City of Rangoon. The approximate cost of the Bauktaw-Tadagale section, which is 3½ miles in length, is Rs. 5 lakhs. It is not anticipated that this line will carry much traffic for the first two years after opening but it is expected that the prospects will improve *pari passu* with the development of Rangoon and with a steady influx of population into the area served by the new line. The local Government has undertaken, within certain limits to guarantee the Government of India against loss in the working of the projected Railway.

17. *Lines in Progress.*—Proposals are under consideration for the purchase by the Central Government from the Burma Government of the lines of Railways in Burma constructed from "Rice control profits". The terms of purchase have not yet been finally settled. It is hoped to arrange the purchase before the end of March 1924 and provision to the extent of Rs. 1,87 lakhs to meet the purchase price has been made in the estimates of the current financial year. In the Budget Estimate of 1924-25 Rs. 56 lakhs have been provided to meet further expenditure on these lines.

The provision for other lines in progress is on a liberal scale in order to ensure the completion of the projects at the earliest possible date.

18. *Receipts, 1923-24.*—The Budget estimate of Gross Traffic Receipts in India for 1923-24 which was fixed at 95,50,00 or 3,50,00 in excess of the Revised estimate for 1922-23 was framed on the assumption of a moderate revival of trade. It also allowed for the increased receipts due to the operation of the enhanced fares during the year and to the earnings of one extra day in February. The Revised estimate for the year is placed at 94,15,00 or 1,35,00 less than the Budget figure. The falling off is due to traffic not coming up to expectations during the autumn months and to interruption of traffic as a result of flood damages to several railways. The approximate amount on this latter account is 40 lakhs.

19. *Receipts, 1924-25.*—The gross receipts in India are estimated at 97,00,00. This provides for an increase of 2,85,00 over the Revised estimate of the current year. It is based on anticipations of normal conditions of trade and a favourable harvest.

20. *Working Expenses, 1923-24.*—The following table compares the figures of the Revised Estimate of 1923-24 with the Budget estimate of that year:—

—	Ordinary.	Fuel.	Programme Revenue.	TOTAL.	Deduct Non-Budget worked lines.	Suspense.	Net.
Budget, 1923-24	49,28,09	8,53.69	9,00.00	66,81.78	3,38,98	—41.30	63,01,50
Revised, 1923-24	49,09,39	8,54.94	7,29.96	64,94.29	3,50.94	—47,35	60,96,00
Revised Estimate, more (+) less (—) than the Budget	—18,70	+1,25	—1,70,04	—1,87,49	+11.96	—6,05	—2,05,50

Ordinary Expenses.—The reduction of 18,70 under Ordinary Expenses is the result of savings effected by the retrenchment of expenditure and of slower progress in repairs to rolling stock than was anticipated, offset to some extent by increased expenditure, amounting approximately to 10 lakhs on account of repairs to flood damages.

Fuel.—The figures of the Revised estimate are practically the same as those of the Budget.

Programme Revenue.—The causes of the variation in the figures are explained in detail in paragraphs 2 to 6 of this Memorandum.

21. The Budget estimate of Working Expenses for 1924-25 is placed at 66,43,04 and is distributed as follows:—

Ordinary Expenses (excluding Fuel)	50,25,36
Fuel	8,82,47
Programme Revenue	10,12,86
Total—Working Expenses	69,20,69
Deduct—Working Expenses of non-Budget worked lines	3,55,78
Suspense	22
Reserve including provision to meet customs duty charges and for writing down value of stores	77,91
Total Expenditure	66,43,04

Compared with the Revised estimate there are the following increases:—

Ordinary Expenses	1,15,97
Fuel	27,53
Programme Revenue	2,82,90

The provision of 50,25,36 under Ordinary Expenses compares with the figures of previous periods as follows:—

	Actuals, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
(*a*) General Administration	7,97,74	7,94,41	8,06,03
(*b*) Ordinary Repairs and Maintenance	16,74,16	16,31,23	16,70,33
(*c*) Operating Expenses other than Fuel	26,39,78	24,83,75	25,49,00
Total	51,11,68	49,09,39	50,25,36

The increase of nearly Rs. 12 lakhs under "General Administration" is due partly to annual increments to officers and subordinates, and to some extent to the provision for additional appointments rendered obligatory by the opening of new lines and the strengthening of the watch and ward establishments.

The increase of Rs. 39 lakhs over the Revised estimate in the expenditure under the head "Ordinary Repairs and Maintenance" is due to provision for customs duties on imported stores and to increased provision for necessary repairs to rolling stock, way and works.

Under operating expenses other than Fuel, the Budget estimate provides for an increase over the Revised estimate of 65,25. The increase is partly due to the extra staff and stores necessary on account of the increased train-mileage anticipated; partly to staff required on the openings of new extensions; and partly to annual increments in the pay of the train and station staff.

22. *Fuel.*—The provision in the Budget for 'Fuel' is 27,53 over the Revised estimate of the current year. The increase is due partly to enhanced prices which must be paid next year under existing contracts and partly to the increased consumption of fuel with an increased train-mileage.

23. *Surplus profits paid to Companies and the net earnings of the Indian State Railways.*—The increase of 12,65 in the Revised estimate is based on actuals, as the amounts paid during a year depend on the actual net earnings of the previous year. The increase of 3,45 in the Budget estimate for 1924-25 similarly follows the Revised estimate figures for the current year.

24. *Interest charges.*—The excess is explained in the Finance Department's Memorandum.

25. *Subsidized Companies—Government Share of Surplus Profits—Receipts.*—The receipts shown under this head represent the Government share of surplus profits on the Rohilkhand and Kumaon and the Southern Punjab Railways and certain Indian Branch Line Companies. The repayments of advances of interest by the Tinnevelly Quillon Railway (Indian State Section) as well as the credits from the sale of land of the subsidized companies are also carried to this head.

The increase of 3,66 in the Revised estimate for 1923-24 is principally due to an increased share of surplus profits from the Southern Punjab Railway.

The Budget for 1924-25 provides for an increase of 2,65 over the Revised estimate and is mainly due to the increase anticipated in the Government share of surplus profits of the Southern Punjab Railway and the Indian Branch Line Companies in the Punjab.

26. *Subsidized Companies Land and Subsidy and Miscellaneous Railway Expenditure charges.*—These consist of the cost of land required by certain railway companies entitled under the terms of their contract to free supply of land and of miscellaneous items, such as the cost of controlling establishments, including the Railway Board. A share of the cost of control is charged to the Working Expenses of each of the Railway Companies and the recoveries thus made are adjusted by deduction from the miscellaneous expenditure. The figures relating to this head compare as under:—

Items.	1922-23.	1923-24.		1924-25.
	Actuals.	Budget.	Revised.	Budget.
1. Subsidized Companies Land and Subsidy	9,43	25,90	7,41	16,00
2. Miscellaneous Railway Expenditure	21,00	12,50	16,72	22,45
TOTAL	30,43	38,40	24,13	38,45

27. *Land and Subsidy.*—The Revised estimate shows a decrease of 18,49 on the Budget grant. This is mainly due to the postponement of works on certain railways and delays in land acquisition proceedings. The Budget estimate of 1924-25 provides for an increase of about 9 lakhs over the Revised estimate for 1923-24. The increase is chiefly due to the provision of 1,20 made for land required for the Bengal and North-Western Railway and for the land required for the following Branch Lines:—

Jhari Jhanjail Bagmara	1,52
Bagmara Siju	2,00
Sirhind Rupar	4,00

28. *Miscellaneous Railway Expenditure.*—The Revised estimate for 1923-24 provides for an increase of 4,22 over the Budget estimate. Rs. 3 lakhs of this increase is due to pensionary charges in India of railway employés, a charge which has hitherto appeared in the Civil estimates. The remainder of the excess is due to increased provision required for miscellaneous establishments employed under the Railway Board. A substantial increase in expenditure must be expected under this head owing to the more active policy now being pursued in the matter of the investigation of problems directed towards the more efficient and economical working of railways. In regard to the latter, it may be explained that the Railway Board have found it necessary during the course of the year to provide for special establishments to verify and value all the stock of stores held by the East Indian and the Great Indian Peninsula Railways prior to the termination of the existing contracts with these Companies; and for the reduction of stores balances on the North Western Railway. Officers have also been placed on special duty in connection with the inauguration of the scheme for the training of Railway staff, and for the investigation of the whole problem of workshop facilities on the Great Indian Peninsula and Bombay, Baroda and Central India Railways.

The Budget estimate for 1924-25 is 5,73 more than the Revised estimate of the current year distributed as follows:—

Survey expenses	1,37
Establishment of the Railway Board	1,53
Pensionary charges	3,44
Miscellaneous items	—61

The excess under Surveys is due to the policy of undertaking new extensions (*vide* paragraph 16) the increased provision for the establishment of the Railway Board follows the re-organisation of the Board, a matter which is fully dealt with in paragraph 35, and the increased provision on account of pensionary charges is due to the inclusion in the Railway Budget of payments on account of these charges when incurred in England, as well as in India.

General Matters.

29. *Retrenchment of Expenditure.*—The question of retrenchment of expenditure is receiving attention on all Railways in India. One of the visible results of efforts in this direction is a reduction in the number of employés; and two statements are appended (Annexures A and B) which show in full detail what has been effected. It will be seen that during the twelve months to the end of October 1923, the number of subordinate

employés has been reduced, by 36,388 or 5·3 per cent. and that nearly 50 per cent. of this reduction occurred on the Great Indian Peninsula Railway, which was specially mentioned in the Retrenchment Committee's Report. A small increase has occurred in the number of superior appointments and is due to the accepted necessity for more effective supervision and to the re-organisation of the watch and ward establishments on Railways.

Steps have also been taken during the year on every Railway Administration either through retrenchment committees or through special officers to effect economies under every head. The enquiries into the possibilities of retrenchment have not yet been completed, and it is not therefore possible to give a resumé of their results; but it is intended to supply this information in the next Administration Report. In making these enquiries, Railway Administrations have particularly borne in mind the criticisms made by the Retrenchment Committee. But it is not intended to imply that the process of searching for labour-saving contrivances, and more economic methods of working should ever cease; and the action taken by the different Railway Administrations in particular matters will be reviewed, in order to see whether economies found feasible on one railway cannot equally be introduced on another.

The Railway Board has, during the year, revised the statistics prepared by the Railway Administrations, more particularly in order to ascertain the comparative costs of working under different heads on each railway system in India. It is intended that these statistics should be utilised in order to check the expenditure under various heads and to introduce more economical methods on railways where particular operating ratios are higher than others.

30. *Indianisation.*—The statements referred to in the previous paragraph have been so drawn up as to show the progress secured in obtaining Indians for service on the railways. It will be seen that the number of Indians in superior appointments rose from 277 to 288; and that though there has been a reduction of 5·2 per cent. in the total number of Indian subordinate employés, the number of such employés on scales of pay rising to Rs. 250 and over has fallen by only 6 compared with a drop of 166 Europeans and 38 Anglo-Indians.

31. *Reduction of Stores balances.*—For some time past the heavy stores balances held by Railways have been the subject of anxious consideration: and in order to effect an improvement the Railway Board held a conference in September last with responsible representatives from Railways. At this conference the whole question of the reduction of balances and the proper accounting of stores receipts and issues was exhaustively examined, and revised instructions calculated to reduce stores balances in a reasonable time to a normal figure have recently been issued by the Railway Board. One important matter in connection with the large stores balances calls for special mention. Owing to the exceptional conditions prevailing during and for some time after the war a large proportion of stores now held in stock are priced in the books at figures materially higher than the current market rates; and a very considerable amount—the exact amount is not yet known—will be required to write their value down. Orders have been issued by the Railway Board that the re-pricing of all important items of stores should be undertaken at once; and it has been provisionally decided that, in each of the next five years, provision should be made for a debit to revenue on this account of Rs. 30 lakhs per annum. The money

will be obtained from the amount carried to Railway reserves. The Railway Board have clearly impressed on the Railway Administrations that this arrangement is special and is designed to clear up the special position following on a period of a very high prices and the circumstances of recent years, and that they would not be prepared to adopt this arrangement in the ordinary course of events.

32. Closely connected with the question of the reduction of stores balances generally is the necessity for a proper valuation of the stores actually held in stock by the East Indian and Great Indian Peninsula Railways before the termination of the existing contracts with these Railways. The matter is under investigation by special experienced officers working under the orders of the Railway Board.

33. *Compensation Claims.*—Very large amounts have been paid in recent years on compensation for goods lost and damaged and certain definite measures are now being undertaken to effect an improvement in situation. Broadly speaking the remedial measures fall under two classes—(1) improvements of existing methods and devices calculated to prevent or reduce to a minimum losses and damages, (2) improvement and acceleration of the methods of investigation and settlement of claims. Among the preventive measures of the first class already undertaken are—(*a*) arrangements for rivetting wagons, (*b*) expenditure on the improvement of the lighting and protection of yards, (*c*) organisation of a more efficient watch and ward staff. Under the second class falls more especially enforcement of responsibility for loss and damages on the station and running staff. It is hoped that the close attention that is being given to this subject will result in a substantial reduction of compensation claims.

34. *Reorganisation of the Railway Board.*—A scheme for the reorganisation of the Railway Board was undertaken during the year. The reorganisation has been framed on the main principles underlying the report of the Acworth Committee. Briefly these principles are that the Railway Department (Railway Board) should be given such independence in carrying out its work as is compatible with its position as a department of the Government of India and such freedom in shaping and carrying out railway policy as will enable it to treat the railways of India as a property to be developed on commercial lines.

The urgency for the reorganisation undertaken is further emphasised by the decision that the East Indian and the Great Indian Peninsula Railways should be taken under State management at the expiry of their present contracts, since the addition of these two systems to the railways already managed by the Railway Department will inevitably add an appreciable burden to the headquarters administration.

The revised organisation sanctioned compares as follows with that previously in force :—

OLD ORGANISATION.							NEW ORGANISATION.						
No.	Designation.	Present Scale. Minimum.	Increment.	Maximum.	Average Cost.	Total.	No.	Designation.	Proposed Scale. Minimum.	Increment.	Maximum.	Average cost.	Total.
1	President	5,000	...	5,000	5,000	5,000	1	Chief Commissioner of Railways	6,000	...	6,000	6,000	6,000
2	Members	4,000	...	4,000	4,000	8,000	2	Members	4,000	...	4,000	4,000	8,000
1	Financial Adviser	2,500	...	2,500	2,500	2,500	1	Financial Commissioner	4,000	...	4,000	4,000	4,000
1	Chief Engineer	2,750	125	3,000	2,874	2,874	1	Director of Civil Engineering	2,500	100	3,000	2,748	2,748
1	Chief Mechanical Engineer	2,750	125	3,000	2,874	2,874	1	Director of Mechanical Engineering	2,500	100	3,000	2,748	2,748
1	Secretary	2,000	100	2,500	2,248	2,248	1	Director of Traffic	2,500	100	3,000	2,748	2,748
1	Joint Secretary	1,800	100	2,000	1,899	1,899	1	Director of Establishment	2,500	100	3,000	2,748	2,748
4	Assistant Secretaries	745 / 250	... / Duty allowance.	1,625	1,427	5,708	1	Secretary	2,500	100	2,800	2,649	2,649
1	Registrar	900	50	1,000	949	949	6	Deputy Directors	775 / 250	... / Duty allowance.	1,625	1,427	8,562
							1	Assistant Director	525 / 250	... / D. A.	1,225	1,115	1,115
							1	Assistant Secretary	1,000	50	1,250	1,124	1,124
13						32,052	17						42,442

NOTE 1.—The appointment of Chief Mechanical Engineer was sanctioned on a temporary basis in 1923.

NOTE 2.—The six appointments of Deputy Directors are required for the following branches :—
Traffic, Way and Works, Project, Establishment, Statistics and Stores.

NOTE 3.—The extra cost involved is Rs. 10,290 per mensem or Rs. 1,24,680 per annum. The complete re-organisation recommended by the Acworth Committee has been estimated by them to involve an additional cost of £25,000 to £30,000 per annum. Part of this difference is, however, due to elimination of the control of major ports which the Committee proposed to place under the Chief Commissioner for Railways.

*Rs. 6,000 if appointed from outside the official ranks.

The appointment of Chief Commissioner was sanctioned in November 1922 and in accordance with the recommendations of the Acworth Committee, he is solely responsible, under the Government of India, for arriving at decision on technical questions and advising the Government of India on matters of Railway policy. The appointment of Financial Commissioner which was recommended both by the Acworth Committee and the Indian Retrenchment Committee, was made in April 1923, with the sanction of the Secretary of State. The two appointments of Members of the Railway Board have been retained. It has been decided for reasons connected with the present statutory position of the Railway Board, and to avoid confusion with the provisions for a Railway Commission under Chapter V of the Railway Act, to retain the name 'Railway Board' for the headquarters organisation of the Railway Department, instead of "Railway Commission" as recommended by the Acworth Committee.

The Railway Board as now constituted consists of the Chief Commissioner as president, the Financial Commissioner and 2 Members. The Acworth Committee proposed that the Indian Railway system should be sub-divided into 3 Territorial Divisions and that a Commissioner should be allocated to each Division. Most careful consideration was given to this recommendation of the Committee, but it was found that it would involve a great deal of overlapping of subjects and duplication of duties, and would also, by interposing another officer between the Railway Department and the Agents, give rise to delays in work and lack of promptness in giving decisions. It has, therefore, been decided to allot the duties of the two Members on the basis of subjects rather than on a territorial basis. This has an incidental advantage in enabling the work to be done by two Members instead of three, as recommended by the Acworth Committee. In view, however, of the importance of the question involved, it has been decided to introduce this system tentatively and to consider, after it has been in force for one year, whether it should be retained or altered in favour of a division of work on a territorial basis. The reorganisation provides for arrangements to relieve Chief Commissioner and Members from all but important work by the appointment of responsible Directors at the head of each of the main branches of work, namely, Civil Engineering, Mechanical Engineering, Traffic and Establishment. It is expected that the re-arrangement of the disposal of current work under this organisation will free the Chief Commissioner and the Members to devote their attention to larger questions of Railway policy and enable them to tour over the various Railway systems to a greater extent than they have been able to do in the past. By this means they will keep in touch with local Governments, Railway Administrations and public bodies to an extent which will largely meet the principal object of the Acworth Committee in recommending the appointment of Territorial Commissioners. As a general rule it will be possible for either the Chief Commissioner or one of the Members to visit the headquarters of every major local Government and every important Railway Administration at least once a year. Such visits have in effect been carried out during the past year with very beneficial results in the disposal of business.

Two of the four Directors are already in existence in the form of the Chief Engineer and the Chief Mechanical Engineer. Hitherto these officers have been employed mainly in consultative work, but under the reorganisation the scope of their duties is being enlarged so as to entrust them with the direct disposal of such matters dealt with in their branches as do not raise large questions of policy.

The present posts of 1 Joint Secretary and 4 Assistant Secretaries are to be replaced by 6 Deputy Directors of similar status and 1 Assistant Director. Of these 1 officer is required to reconstitute the post temporarily discontinued in the Projects branch of the office, as it has been found impossible to carry on the current work relating to projects and open lines with a single Assistant Secretary in view of the very large number of projects which now have to be examined by the Railway Board. The other additional Deputy Director is required for dealing with statistics and the need for a whole-time officer for this subject has been very forcibly brought out by the criticisms to which former statistics and their use have been subjected both by the Acworth Committee and the Retrenchment Committee. Very considerable progress has already been made in the form of the statistics and their use as an aid to practical railway management during the past year, and the statistics now compiled by the Railway Board are on modern lines and have already proved themselves to be extremely valuable in the improvement of working and reduction of working expenses.

Provision has also been made for an addition to the junior officers in the administration of an Assistant Director, whose duties will be to supervise the Technical branch of the office and the Drawing office, which is becoming of considerable importance in view of the progress which is being made towards standardisation in technical matters.

The only other change made in the internal constitution of the office is in the position of the Secretary—a measure which is necessary in view of the very heavy responsibilities which have now devolved upon this officer. It has also been decided to abolish the post of the Registrar and appoint in his place an Assistant Secretary—a measure which is in accordance with what has been done in other Departments.

In order to complete the scheme of re-organisation, the Chief Commissioner of Railways has proposed a very considerable change in the method of dealing with audit and accounting within the Department and within the various Railway Administrations managed by the State and a re-arrangement of the duties of Government Inspectors. These proposals are under consideration.

C. D. M. HINDLEY,

Chief Commissioner for Railways.

A. A. L. PARSONS,

Financial Commisssoner, Railways.

DELHI:

The 31st March 1924.

Annex

Statement showing details of the total superior staff employed on State and

Gazetted Officers and Officers of

Railway.	Year.	Agency.			Engineering.			Traffic.			Locomotive.		
		Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.
1	2	3	4	5	6	7	8	9	10	11	12	13	14
A. B.	1923	3	..	...	10	...	2	11	1	1	10	...	1
	1922	3	...	...	10	...	2	11	1	1	9	...	...
B. N.	1923	5	1	1	44	3	12	33	2	11	21	...	...
	1922	4	1	1	41	3	12	33	2	11	23	..	..
B. and N. W.	1923	2	...	...	24	...	...	15	...	3	5	...	...
	1922	2	...	...	25	1	...	15	...	3	6	...	...
B. B. and C. I.	1923	6	...	..	46	...	10	34	3	7	18	1	...
	1922	5	..	.	45	...	9	33	2	6	20	1	...
Burma	1923	3	1	...	35	4	1	21	2	2	12	...	...
	1922	3	...	...	34	3	1	22	1	2	12	...	...
E. B.	1923	4	1	1	23	5	16	26	2	10	20	..	2
	1922	2	1	..	24	5	14	20	2	11	20	...	2
E. I.	1923	8	...	2	53	1	11	45	9	14	27	...	3
	1922	8	.	2	51	1	11	41	13	14	27	...	3
G. I. P.	1923	7	...	...	70	1	10	41	1	1T	19	...	...
								17	5	5C			
	1922	7	...	...	74	1	10	40	3	1T	19	...	...
								15	5	6C			
M. and S. M.	1923	5	...	1	41	1	4	22	2	5	21	...	...
	1922	4	...	1	40	1	3	25	2	5	22	...	...
N. W.	1923	7	...	3	67	8	39	44	2	16	49	...	...
	1922	6	...	1	64	8	35	45	2	15	43	...	...
O. and R.	1923	2	...	...	17	2	11	10	2	9	8	...	...
	1922	2	...	...	16	2	11	10	2	9	8	...	...
S. and K.	1923	3	...	...	7	...	..	3	...	...	5	...	...
	1922	2	...	...	8	..	...	2	1	...	3	...	...
S. I.	1923	2	1	1	32	...	7	21	...	2	14	...	...
	1922	2	1	1	33	...	7	21	...	2	14	...	...
Total	1923	57	4	9	478	25	123	343	30	86	226	1	6
	1922	50	3	6	476	25	115	342	36	83	226	1	5

The figures under Traffic Department are in the case of the Great Indian Peninsula Railway

ure A.

Companies Railways on 1st November 1922 and on 1st November 1923.

corresponding status on Companies Railways.

Carriage and Wagon.			Stores.			Other Departments.			Total.			Decrease − Increase +.			Total.
Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	
15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Included in Loco-motive.			1	...	...	9	1	2	53	2	6	+2	...	−1	+3
			1	...	...	8	1	2	51	2	5				
7	...	...	7	..	1	26	...	3	143	6	28	...	...	−1	−1
6	...	...	7	..	1	24	...	4	143	6	29				
Included in Loco-motive.			1	...	...	12	...	2	59	..	5	−3	−3	...	−6
			1	...	...	13	1	2	62	2	5				
8	...	...	7	...	...	26	3	5	145	6	22	...	...	+3	+3
9	...	...	7	...	...	26	3	4	145	6	19				
5	...	...	2	1	1	12	...	1	80	8	5	+1	+8	...	+4
4	...	...	2	1	1	12	...	1	89	5	5				
Included in Loco-motive.			5	1	1	4	2	5	82	11	35	−3	+1	+2	...
			7	1	...	3	1	6	85	10	33				
11	1	3	4	1	...	54	3	6	202	15	39	+8	−5	...	+3
11	1	3	4	1	...	52	4	6	194	20	39				
6	...	...	8	...	...	28	1	7	96	8	23	−5	−2	+1	−6
9	...	...	8	...	...	29	1	5	201	10	22				
Included in Loco-motive.			5	...	1	21	1	7	115	4	18	...	...	+1	+1
			5	..	1	19	1	7	115	4	17				
13	...	...	6	...	2	7	...	8	190	10	68	+8	−2	+5	+11
12	1	...	7	1	3	6	...	9	182	12	63				
4	...	...	5	...	1	3	1	4	40	5	25	+1	+1	−1	+1
4	...	...	5	...	1	3	...	5	48	4	26				
Included in Loco-motive.			1	...	...	3	...	2	22	...	2	+3	−1	+1	+3
			1	...	.	3	...	1	19	1	1				
Included in Loco-motive.			3	2	...	10	1	2	82	4	12	−1	..	−1	−2
			3	2	...	10	1	3	81	4	13				
54	1	3	55	5	7	215	13	54	1,428	70	288	+11	−7	+11	+15
55	2	3	58	6	7	208	13	55	1,417	80	277				

shown separately for the new Transportation and Commercial Department.

Annex

Statement showing details of total subordinate staff employed on State and

Railway.	Year.	SUBORDINATE DRAWING PAY Rs. 250 PER MENSEM AND OVER OR ON SCALES PER MENSEM																	
		AGENCY.			ENGINEERING.			TRAFFIC.			LOCOMOTIVE.			CARRIAGE AND WAGON.			STORES.		
		Europeans.	Anglo-Indians.	India s.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
A. B.	1923	...	1	4	6	6	8	5	12	2	12	13	4	Included in Loco.	...	...	...	1	...
	1922	...	1	4	5	5	8	5	13	2	11	15	4		...	..	...	1	...
B. N.	1923	2	...	4	11	29	20	31	78	15	253	193	11	12	21	2	6	5	4
	1922	3	...	5	12	20	20	38	86	14	264	173	10	14	20	2	4	4	5
R. & N.W.	1923	...	1	...	2	18	2	6	7	4	3	4	...	Included in Loco.	...	...	...	1	...
	1922	...	1	...	1	18	2	7	6	3	5	3	1		...	...	..	1	...
B. B. & C. I.	1923	1	1	7	17	14	111	51	16	108	207	188	40	28	34	12	1	3	8
	1922	1	1	8	15	15	111	50	15	106	206	186	38	31	30	12	1	2	9
Burma	1923	...	6	3	3	28	43	4	37	12	10	74	6	9	11	5	...	...	3
	1923	...	7	3	3	29	45	6	36	12	21	65	7	9	13	5	..	...	3
E. B.	1923	4	2	3	13	28	30	51	35	19	78	55	9	Included in Loco.	...	...	2	5	4
	1922	3	2	4	13	28	34	54	36	19	82	55	9		...	...	2	5	4
E. I.	1923	1	...	6	65	93	79	174	154	34	470	316	10	61	41	8	13	6	5
	1922	1	...	6	63	97	80	160	168	31	479	264	10	60	40	8	13	8	5
Carried over	1923	8	11	27	117	316	302	322	339	194	1,042	843	80	110	107	27	22	21	24
	1922	8	12	30	112	221	300	329	360	187	1,068	781	79	114	103	27	20	21	26

ure B.

Companies Railways on 1st November 1922 and on 1st November 1923.

OF PAY RISING TO Rs. 250 AND OVER.																	
Other Depts.			Total.			Other Staff.			Grand Total.			Decrease — Increase +.			Percentage Decrease — Increase +.		
Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.
21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	39
...	1	5	23	34	23	14	246	11,294	37	280	11,317	+1	—40	—720	+2·8	—12·5	—6·0
...	1	5	21	36	23	15	284	12,014	36	320	12,037						
40	55	55	355	351	111	172	805	55,554	527	1,156	55,665	—11	+52	—1,642	—2·0	+4·6	—2·9
41	51	49	376	303	105	162	771	57,202	538	1,134	57,307						
13	18	6	24	49	12	39	156	25,826	63	205	25,838	+3	—5	—914	+5·0	—2·4	—3·4
11	14	3	24	43	9	36	167	26,743	60	210	26,752						
9	28	93	314	284	379	208	590	68,967	522	874	69,346	+25	+10	—2,083	+5·0	+1·2	—3·8
15	27	92	319	276	376	178	588	71,003	497	864	71,379						
2	7	33	37	163	105	6	423	22,218	43	586	22,323	—3	—4	+434	—6·5	—0·7	+2·0
2	6	32	41	156	107	5	434	21,782	46	590	21,889						
1	21	36	149	146	110	136	364	45,343	285	510	45,453	—9	—22	—2,139	—3·0	+4·1	—4·5
...	19	39	154	145	109	140	387	47,483	294	532	47,592						
75	45	53	859	655	195	445	1,010	1,02,894	1,304	1,665	1,03,089	—3	—104	—4,534	—0·2	—5·9	—4·2
76	41	50	861	618	190	446	1,151	1,07,433	1,307	1,769	1,07,623						
140	175	281	1,761	1,713	935	1,020	3,594	3,32,096	2,781	5,306	3,33,031	+3	—113	—11,548			
145	159	270	1,796	1,037	919	982	3,782	3,43,660	2,778	5,419	3,44,579						

Annex

Statement showing details of total subordinate staff employed on State and

Railway.	Year.	SUBORDINATE DRAWING PAY Rs. 250 PER MENSEM AND OVER OR ON SCALES PER MENSEM																	
		AGENCY.			ENGINEERING.			TRAFFIC.			LOCOMOTIVE.			CARRIAGE AND WAGON.			STORES.		
		Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Brought forward	1923	8	11	27	117	216	302	322	339	194	1,042	843	80	110	107	27	22	21	24
	1922	8	12	30	112	221	300	329	360	187	1,068	761	79	114	103	27	20	21	26
G. I. P.	1923	3	1	5	47	31	59	...	2	36-C.	71	49	18	44	19	15	6	1	5
								370	340	60-T.								
								2	7	31-C.									
	1922	6	...	3	51	35	56	426	409	51-T.	89	51	18	45	25	19	6	1	5
M. & S. M.	1923	...	1	3	12	24	12	9	15	1	58	80	2	Included in Loco.		...	2	...	2
	1922	...	1	3	13	24	13	9	15	1	59	72	1			...	2	...	2
N. W.	1923	2	...	4	40	41	174	132	65	41	163	77	26	77	64	57	8	6	27
	1922	2	...	4	48	43	174	155	77	50	162	90	29	78	68	58	9	6	24
O. & R.	1923	1	1	2	12	22	19	35	22	24	19	28	2	16	21	1	2	5	7
	1922	1	1	1	14	19	23	38	19	30	19	27	1	13	25	1	2	5	7
B & K.	1923	...	...	1	...	2	...	...	5	...	1	5	2	1	1	...	...	...	...
	1922	...	...	1	...	2	...	...	6	...	4	2	1	1	1	...	...	...	...
S. I.	1923	...	1	3	6	12	2	13	7	14	42	118	15	Included in Loco.		...	...	2	1
	1922	...	1	3	5	14	2	17	7	14	42	122	20			...	...	2	1
TOTAL	1923	14	15	45	234	348	568	881	795	370	1,396	1,200	143	248	212	100	40	35	66
	1922	17	15	45	243	358	567	976	900	364	1,443	1,125	149	251	222	105	39	35	65

The figures under Traffic Department are in the case of the Great Indian Peninsula Railway

ure B—*contd.*

Companies Railways on 1st November 1922 and on 1st November 1923—contd.

OF PAY RISING TO Rs. 250 AND OVER.						Other Staff.			Grand Total.			Decrease — Increase +.			Percentage Decrease — Increase +.		
Other Depts.			Total.														
Europeans.	Anglo-Indians.	Indians.	Europeans	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.	Europeans.	Anglo-Indians.	Indians.
21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38
140	175	281	1,761	1,712	935	1,020	3,594	3,32,096	2,781	5,306	3,33,031						
145	159	270	1,706	1,637	919	982	3,782	3,43,660	2,778	5,419	3,44,579	+3	—118	—11,548			
16	16	43	557	459	241	344	896	92,548	901	1,355	92,789						
22	16	49	647	544	232	400	1,046	1,03,066	1,047	1,589	1,09,318	—146	—234	—16,529	—13·9	—14·7	—15·1
3	12	10	84	132	30	81	1,854	46,875	165	1,986	46,905						
3	12	9	86	124	29	65	1,892	47,821	151	2,016	47,850	+14	—30	—915	+9·3	1·5	—2·0
2	3	46	424	253	375	456	540	1,07,034	880	796	1,07,409						
2	3	47	456	287	386	436	563	1,11,476	892	853	1,11,862	—12	—57	—4,453	—1·3	—6·7	—4·0
2	2	8	87	101	63	95	250	27,753	182	351	27,819						
2	1	8	89	97	70	109	261	29,200	198	358	29,270	—16	—7	—451	—8·1	—2·0	—5·0
...	1	1	2	14	4	1	19	6,020	3	33	6,024						
...	1	1	5	12	3	2	24	5,824	7	36	5,827	—4	—3	+197	—57·1	—8·3	+3·4
1	4	19	62	144	54	38	1,029	30,185	100	1,173	30,239						
...	9	29	64	155	69	46	1,111	31,121	110	1,266	31,190	—10	—93	—951	—9·1	—7·3	—3·0
164	213	408	2,977	2,818	1,702	2,025	8,182	6,42,514	5,012	11,000	6,44,216						
174	201	413	3,143	2,856	1,708	2,040	8,281	6,78,183	5,183	11,537	6,79,896	—171	—537	—35,680	—3·3	—4·7	—5·3
														—33,383			

shown separately for the new Transportation and Commercial Departments.

Appendix I.

Capital Expenditure on State Railways, 1922-23, and Estimated Expenditure on such works in 1923-24 and 1924-25, and to end of 1924-25.

Railways.	To end of 1921-22.	Accounts, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.	To end of 1924-25.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	R	R	R	R	R	R	R	
OPEN LINES.								
State Railways Worked by State.								
Aden Railway	12,15,896	1,88,941	1,00 000	76,000	15,80,837	...	...	
Delhi (New Capital) Railway Works Scheme.	15,41,149	26,84,295	26,21,000	16,89,000	85,45,444	...	...	
Eastern Bengal	42,20,32,672	56,98,710	99,89,000	76,03,000	44,52,33,382	...	...	
Jodhpur-Hyderabad (British Section).	46,58,876	1,77,201	3,75,000	2,93,000	55,04,077	...	...	
North Western :—								
Commercial	82,01,63,165	1,14,66,715	1,58,88,000	1,98,50,000	86,73,67,880	..	...	
Non-Commercial (Strategic).	23,74,27,347	18,85,075	40,63,000	5,90,000	24,39,65,422	...	...	
Oudh and Rohilkhand	29,73,28,717	76 78,468	1,03,12 000	89,54,000	32,42,73,185	...	...	
Stores	14,70,406	—4,90,209	78,65,000	63,35,000	1,51,80,197	...	...	
Abandoned projects	32,86,316	...	...	...	32,86,316	...	...	
Total State Railways Worked by State	1,78,91,24,544	2,91,99,196	5,12,13,000	4.54,00,000	1,91,49,36,740	...	...	

OPEN LINES.

State Railways Worked by Companies.							
Agra-Delhi Chord	1,51,14,123	—36,759	46,000	1,54,000	1,52,77,364	...	...
Assam-Bengal Part I	17,93,79,949	5,654	40,000	2,00,000	19,08,25,524	...	...
,, II		48,00,921	34,93,000	29,06,000		...	...
Baran-Kotah	49,59,801	—744	2,00,000	...	51,59,057	...	...
Bengal-Nagpur	52,35,23,673	3,09,35,617	2,78,05,000	2,92,68,000	61,15,32,290	...	...
Bezwada Extension	13,41,600	54,389	1,11,000	69,000	15,75,989	...	...
Bhopal	44,84,439	47,709	80,000	...	46,12,148	...	...
Bombay, Baroda and Central India.	58,74,17,858	2,70,18,301	2,47,15,000	2,01,66,000	65,93,16,659	...	...
Burma	20,97,13,398	62,63,732	67,20,000	55,07,000	23,22,07,566	...	...
Burma Railways Extensions		18,79,436	19,64,000	1,60,000		...	...
Cawnpore-Banda	81,76,425	33,275	80,000	...	82,89,700	...	...
Coonoor-Ootacamund	49,23,750	5,576	47,000	67,000	50,43,326	...	...
Dhone-Kurnool	10,18,342	...	5,000	5,000	10,28,342	...	...
East Indian, including South Behar.	92,51,74,212	1,60,65,854	3,31,51,000	3,44,95,000	1,00,88,86,066	...	...
Great Indian Peninsula Railway System	92,07,35,444	37,725	1,08,65,000	3,23,03,000	96,38,81,169	...	...
Lucknow-Bareilly	1,39,94,918	22,59,106	—1,71,000	67,000	1,61,50,024	...	...
Madras and Southern Mahratta.	48,03,96,363	49,38,337	99,23,000	1,51,49,000	51,04,06,700	...	...
Matheran Steam Tramway—Purchase of.	...	...	7,50,000	...	7,50,000	...	...
South Indian	20,92,35,180	1,19,32,328	80,16,000	1,19,99,000	24,11,82,508	...	...
Southern Shan States (Thazi Aungban).	1,67,53,694	61,585	2,92,000	20,000	1,71,27,279	...	...
Carried over	4,10,63,42,669	10,63,02,042	12,80,72,000	15,25,35,000	4,49,32,51,711	...	...

Appendix I—*continued.*

Railways.	To end of 1921-22.	Accounts, 1922-23.	Revised Estimate, 1923-24.	Budget Estimate, 1924-25.	To end of 1924-25.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	R	R	R	R	R	R	R	
Brought forward .	4,10,63,42,669	10,63,02,042	12,80,72,000	15,25,35,000	4,49,32,51,711			
Tinnevelly-Quilon (British Section).	43,72,749	34,377	46,000	40,000	44,93,126	...	...	
Tinnevelly-Quilon (Indian State Section).	1,32,42,268	1,14 992	1,91,000	4,26,000	1,39,74,260	...	...	
Tirhoot Railway and Extensions.	8,33,66,998	19,11,251	22 80,000	19 56,000	8,95,23,150	...	...	
Total State Railways worked by Companies.	4,20,73,24,594	10,83,62,762	13,05,98,000	15,49,57,000	4,60,12,42,256	...	...	
Total Open Lines	5,99,64,49,188	13,75,61,858	18,18,11,000	20,03,57,000	6,51,61,78,996	...	...	
LINES UNDER CONSTRUCTION.								
State Railways worked by State.								
Khyber Railway (non-commercial line).	72,12,294	67,26,897	73,79,000	19,54,000	2,32,72,191	1,93,85,820 (*a*)		(*a*) Revised Estimate amounting to Rs. 2,43,34,168 has been submitted to Secretary of State for sanction.
Central India Coal Fields .	...	...	...	50,00,000	50,00,000	...		
State Railways worked by Companies.								
Amda-Jamda . . .	57,80,741	40,42,990	23,41,000	11,94,000	1,33,58,731	1,26,99,107 (*b*)		
Bermo Dunoya Section— East Indian Railway share.	2,42,581	10,69,842	7,06,000	3,09,000	23,27,423	26,37,771 (*b*)		(*b*) Revised Estimate under consideration.
Bengal Nagpur Railway share.	6,86,249	6,56,639	7,98,000	4,31,000	25,74,888			

Bombay Harbour Branch Extension.	18,84,539	20,53,231	7,85,000	6,70,000	83,92,770	71,97,901 (c)		(c) Supplementary estimate is awaited.
Vizagapatam Harbour.	13,13,651	7,10,357	12,00,000	...	32,24,008	...		
Itarsi-Nagpur and branch to Pench Valley Coalfields.	3,00,89,235	8,56,446	45,36,000	5,00,000	3,59,81,681	3,09,83,163 (d)		(d) Revised estimate is awaited.
Onlajori Badampahar Branch	21,45,845	2,84,590	...	...	24,30,435	30,15,595	5,85,160	
Parvatipore Singapore Road.	3,09,894	11,522	15,000	...	3,36,416	56,47,094 (e)	53,10,678	(e) The project is at present in abeyance.
Majri Rajur	1,76,564	11,22,378	9,20,000	3,98,000	26,16,942	31,16,831		
South Karanpura Coalfields—								
Bengal Nagpur	76,222	2,72,955	11,53,000	9,73,000	24,75,177	31,63,385 (b)		
East Indian	6,137	3,19,136	10,92,000	8,45,000	22,62,278			
Dholka-Dhanduka	10,99,976	10,03,329	5,30,000	11,00,000	37,33,305	31,03,674 (b)		
Chandrapura Gomoh	...	...	1,90,000	7,00,000	8,90,000	15,90,684	7,00,684	
Virodupati Tenkasi	...	...	...	33,00,000	33,00,000	58,26,872	30,26,872	
Khawang Sibsagar	...	...	2,000	13,75,000	13,77,000	26,91,862	13,41,862	
Bauktaw Tadagale	...	...	1,00,000	4,00,000	5,00,000	...	...	
Vilupram-Trichinopoly	...	...	9,000	80,00,000	80,09,000	1,69,00,000 (f)	1,32,91,000	(f) This is an approximate estimate. Detailed estimates are under preparation.
Talchir Coalfields	...	3,14,372	37,21,000	32,78,000	73,13,372	80,93,759	7,80,387	
,, prospecting survey.	...	76,850	35,000	...	1,11,850	...		
Hesla Chandil	...	2,48,980	11,74,000	51,87,000	66,09,980	...		
Shoranur-Nilambur	...	...	50,000	41,00,000	41,50,000	62,00,000 (g)	31,50,000	(g) Construction estimate is awaited.
South Karanpara prospecting survey.	...	2,30,110	74,000	...	3,04,110	...		
Transfer to Central Government of outlay on lines in Burma under construction from Provincial funds	...	...	1,87,51,000	55,97,000	2,43,48,000	...		
Total Lines under construction	5,40,23,928	2,00,00,624	4,55,61,000	4,53,14,000	16,48,99,552			
Total carried over	6,05,04,73,066	15,75,62,482	22,73,72,000	24,56,71,000	6,68,10,78,548			

Appendix I—*continued.*

Particulars	To end of 1921-1922.	Accounts 1922-1923.	Revised Estimate, 1923-1924.	Budget Estimate, 1924-1925	To end of 1924-1925.	Sanctioned outlay.	Balance remaining unspent.	Remarks
	R	R	R	R	R	R	R	
Total brought forward	6,05,04,43,066	15,75,62,182	23,73,72,000	24,56,71,000	6,68,10,78,548			
State Railways worked by Companies—*contd.*								
Savings anticipated . .		...	1,48,28,000	.	1,48,28,000			
Reserve . .	..	.	.	5,43,29,000	5,43,29,000			
Readjustment of capital outlay in England of Railway Companies at the average rate.	94,44,326	45,46,748	...	...	1,39,91,074			
TOTAL .	6,05,99,17,392	16,21,09,230	21,25,44,000	30,00,00,000	6,73,45,70,622			
Provincial—								
Jorhat	12,84,136	—5,925	..	...	12,78,211			
United Provinces—Resin distillery .	1,72,931	...	...	...	1,72,931			
Burma	54,71,266	59,53,944	...	...	1,14,25,210			
GRAND TOTAL .	6,06,68,45,725	16,80,57,249	21,25,44,000	30,00,00,000	6,74,74,46,974			
Distributed as under—								
CAPITAL EXPENDITURE ON RAILWAYS (not charged to Revenue)—								
53. Construction of Railways . . .	4,06,97,27,193	18,43,42,305	23,60,64,000	30,00,00,000	4,79,01,33,498			
Total undischarged liability involved in the purchase by the State of the Capital of the Old Guaranteed Railway Companies .	1,85,05,95,045*	—2,22,33,075*	—2,35,20,000	...	1,80,48,41,970			

CAPITAL EXPENDITURE ON RAILWAYS (charged to Revenue)—							
13. Construction of Railways—							
Central	13,95,95,154	...	...	...	13,95,95,154		
Provincial . . .	69,28,333	59,48,019	...	...	1,28,76,352		
Total as above .	6,06,65,45,725	16,80,57,249	21,25,44,000	30,00,00,000	6,74,74,46,974		

*

Class and name of Railway.	Total initial liabilities.	DEDUCT— Amount redeemed by annuities.	DEDUCT— Amount redeemed by sinking fund.	Total undischarged liabilities.
	R	R	R	R
State Railways worked by the State—				
Eastern Bengal Railway . . .	7,38,02,175	92,81,835	45,26,700	5,99,93,640
North Western Railway . . .	21,01,42,935	2,80,65,630	3,71,80,305	14,48,97,000
Oudh and Rohilkhand Railway .	15,50,40,735	...	...	15,50,40,735
Total .	43,89,85,845	3,73,47,465	4,17,07,005	35,99,31,375
State Railways worked by the Company—				
Bombay, Baroda and Central India Railway	21,72 06,690	...	...	21,72,06,690
East Indian Railway . . .	56,26,66,110	9,21,96,810	6,33,28,830	40,71,40,470
Great Indian Peninsula Railway .	71,26,60,020	15,22,39,140	...	56,04,20,880
Madras and Southern Mahratta Railway.	22.44,65,370	2,61,91,170	...	19,82,74.200
South Indian Railway	8,53 88,355	...	..	8,53,88,355
Total .	1,80,23,86,545	27,06,27,120	6,33,28,830	1,46.84,30,595
GRAND TOTAL .	2,24,13,72,390	30,79,74,585	10,50,35,835	1,82,83,61,970

Sterling figures converted at R15 = 1£.

Appendix II

Gross receipts, working expenses, and net receipts of State Railways for five years ending 1922-23, with Revised Estimates for 1923-24 and Budget Estimates for 1924-25.

(Omitting 000, except in Accounts.)

State Railways.	Accounts.					Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.		
	M.	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*
Open mileage at beginning of year	26,464	26,106	26,580	26,799	26,961	27,162	27,302
	R	R	R	R	R	R	R
Gross Receipts.							
INDIA.							
State Railways worked by the State.							
Aden	2,00,020	—1,20,109	2,69,839	2,50,523	2,24,626	2,00	2,06
Eastern Bengal	3,82,07,444	4,45,45,072	4,61,08,642	4,42,96,639	5,24,50,582	5,28,00	5,30,00
North Western—							
Commercial Lines	12,46,94,829	12,32,80,625	12,97,73,559	11,34,90,666	12,95,24,443	13,02,77	13,51,80
Non-commercial—(Strategic Lines)				1,64,24,789	1,55,23,295	1,97,23	1,98,20
Oudh and Rohilkhand	8,29,48,935	3,14,64,214	3,26,48,585	3,31,24,469	3,84,92,842	3,74,00	3,60,00
State Railways Worked by Companies.							
Assam Bengal	79,08,099	1,04,20,975	1,02,65,216	85,15,384	1,20,56,460	1,27,00	1,25,00
Bengal Nagpur	6,19,41,370	6,59,31,892	6,39,37,399	6,67,91,163	7,70,71,210	7,70,00	8,40,00
Bezwada Extension	5,22,461	5,47,023	5,29,380	6,20,598	6,57,214	7,43	7,00
Bombay, Baroda and Central India	9,46,92,452	9,67,12,806	9,94,16,377	10,25,31,934	11,75,19,383	11,90,00	12,00,00

Burma	2,63,70,481	2,97,14,049					
Burma Railway Extensions	25,45,496	27,14,727	3,26,29,019	3,51,73,283	4,06,98,058	4,12,40	4,25,00
Southern Shan States	4,80,827	5,29,400					
East Indian	13,43,96,239	13,25,76,404	13,84,16,068	13,38,87,673	15,55,59,040	16,10,75	17,00,00
Great Indian Peninsula including Indian Midland	11,88,02,697	12,60,42,870	12,79,35,857	12,61,70,645	14,11,38,133		
Agra-Delhi Chord	44,50,953	46,98,873	50,30,667	47,07,855	50,34,396		
Bhopal	11,16,515	11,00,906	12,76,267	12,06,962	12,97,300	14,33,00	14,87,00
Baran-Kotah	1,83,314	1,88,936	1,62,889	1,77,242	2,11,961		
Cawnpore-Banda	3,20,819	3,73,187	3,89,254	4,50,307	4,78,269		
Jodhpore-Hyderabad (British Section)	19,90,444	15,81,739	18,78,972	19,14,178	17,76,091	21,00	21,50
Lucknow-Bareilly	31,54,296	30,02,910	29,81,726	35,02,136	36,82,574	35,97	35,62
Madras and Southern Mahratta Railway	5,42,92,629	5,73,95,956	6,22,45,540	6,55,08,869	7,28,13,554		
Mysore State lines	44,48,501	41,36,445					
Dhone-Kurnool	1,48,714	1,76,829	1,82,083	1,85,177	1,89,230	7,31,07	7,29,77
South Indian	3,58,90,979	4,01,48,113	4,27,06,378	4,59,62,936	5,10,28,796	5,27,50	5,42,20
Tinnevelly-Quilon	15,11,462	18,44,613					
Tirhoot	1,09,19,483	1,11,33,060	1,09,91,316	1,20,23,949	1,47,33,811	1,80,18	1,44,85
Exchange	...	...	...	...	...	2,19	2,09
Total Central	76,21,39,459	79,01,40,545	80,97,75,233	81,69,27,377	93,22,14,218	94,17,19	97,02,09
India			80,92,89,163	81,64,42,250	93,17,30,856	94,17,19	97,02,09
England	3,08,925	7,29,105	4,86,070	4,85,127	4,83,362	4,83	4,83
TOTAL	76,24,48,384	79,08,69,650	80,97,75,233	81,69,27,377	93,22,14,218	94,22,02	97,06,92

Appendix II—*continued.*

State Railways.	Accounts. 1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	Revised Estimate, 1923-24	Budget Estimate, 1924-25.
	R	R	R	R	R	R	R
Working Expenses.							
INDIA.							
State Railways worked by the State.							
Aden	2,56,014	—48,185	2,16,857	3,24,009	2,87,365	2,44	2,45
Eastern Bengal	2,25,04,170	3,02,66,454	2,98,24,284	3,76,49,787	4,40,77,284	3,83,19	4,20,51
North-Western—							
Commercial lines	6,86,38,796	8,04,38,819	10,09,84,480	10,33,44,038	10,06,93,361	8,83,65	9,51,43
Non-commercial—(Strategic Lines)				2,46,08,721	2,22,33,936	2,28,17	2,25,02
Oudh and Rohilkhand	1,32,83,182	1,82,62,800	1,94,62,004	2,58,18,184	2,61,64,731	2,31,46	2,82,82
State Railways worked by Companies.							
Assam Bengal	62,66,776	84,18,871	83,01,021	84,38,775	92,27,437	91,05	89,53
Bengal Nagpur	3,03,67,272	3,88,42,829	4,38,60,570	5,33,17,921	4,43,17,322	4,80,00	5,28,81
Bezwada Extension	1,68,179	2,48,211	2,87,307	4,53,144	4,78,560	3,62	4,48
Bombay, Baroda and Central India	4,19,55,223	5,38,70,406	6,75,12,138	7,99,28,942	8,24,16,577	7,29,00	7,76,57

Burma Railways	1,38,97,390	1,62,64,108	2,21,87,533	2,47,26,298	2,43,96,464	2,46,07	2,75,25
Burma Railway Extensions	14,27,905	17,16,303					
Southern Shan States	4,53,119	5,29,640					
East Indian	4,65,18,866	5,88,77,044	7,40,71,007	8,57,46,108	10,04,22,354	9,51,13	9,93,62
Great Indian Peninsula including Indian Midland	6,96,05,861	7,86,59,628	9,67,79,411	11,80,71,491	10,58,31,167	9,83,00	10,81,88
Agra-Delhi Chord	25,44,969	29,41,579	38,72,250	43,05,257	38,08,140		
Bhopal	6,37,130	6,90,091	9,82,380	11,03,748	9,71,658		
Baran-Kotah	91,657	94,468	1,62,889	1,16,928	1,14,479		
Cawnpore-Banda	1,99,214	2,54,308	3,19,083	4,34,314	3,82,129		
Jodhpore-Hyderabad (British Section)	9,37,398	10,00,697	12,48,456	15,13,210	16,43,269	19,50	17,88
Lucknow-Bareilly	13,29,501	16,91,503	19,96,187	17,56,898	20,28,000	21,50	20,3 9
Madras and Southern Mahratta Railway	2,68,03,908	3,17,82,724	4,17,61,942	4,59,12,876	2,73,98,926	4,43,42	4,97,98
Mysore State lines	22,00,032	22,76,326					
Dhone-Kurnool	87,891	1,07,174	1,29,317	1,39,434	1,26,580		
South Indian	1,57,04,971	2,18,16,709	2,56,95,051	3,34,02,156	3,59,08,882	3,33,40	3,28,94
Tinnevelly-Quilon	7,05,884	11,03,963					
Tirhoot	40,64,400	49,49,391	54,83,297	55,71,764	69,82,504	66,40	67,57
Reserve including provision to meet Customs duty charges and for writing down the value of stores.	...	...	...	...	...	...	77,91
TOTAL CENTRAL	37,06,49,703	45,45,55,861	54,51,37,464	65,66,78,003	65,96,16,125	60,96,00	66,43,04

Appendix II—*continued.*

State Railways.	Accounts.					Revised Estimate, 1923-24.	Budget Estimate, 1924-25.
	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.		
	R	R	R	R	R	R	R
Net Receipts.							
INDIA.							
State Railways worked by the State.							
Aden Tramway	—55,994	—71,924	52,982	—73,486	—62,739	—44	—39
Eastern Bengal	1,57,02,274	1,42,78,618	1,62,84,358	11,881	83,73,298	1,44,81	1,09,49
North Western—							
Commercial lines	5,60,56,033	4,28,41,806	2,87,89,079	1,01,46,628	2,85,26,082	4,20,12	4,00,37
Non-Commercial—(Strategic Lines)				—81,83,932	—67,07,641	—30,94	—26,82
Oudh and Rohilkhand	1,96,65,753	1,32,01,444	1,31,86,781	73,16,285	1,23,28,111	1,42,54	77,18
State Railways worked by Companies.							
Assam Bengal	16,41,323	20,02,104	19,64,195	76,609	28,29,023	35,95	35,47
Bengal Nagpur	3,15,74,098	2,70,88,563	2,00,76,829	1,34,73,242	3,27,53,885	2,90,00	3,11,19
Bezwada Extension	3,54,282	2,98,812	2,42,073	1,67,454	1,78,654	3,81	2,52
Bombay, Baroda and Central India	5,27,37,229	4,33,42,400	3,19,04,239	2,26,02,902	3,51,02,756	4,61,00	4,23,43
Burma Railways	1,24,73,091	1,34,49,941					
Burma Railway Extensions	11,17,591	9,98,424	1,04,41,486	1,04,46,985	1,63,01,594	1,66,33	1,49,75
Southern Shan States	27,708	—240					
East Indian	8,78,77,373	7,36,99,360	6,43,45,061	4,81,47,565	5,54,36,686	6,59,62	7,06,38

Great Indian Peninsula including Indian Midland	4,91,96,836	4,73,82,742	3,11,56,446	80,99,154	3,53,06,966		
Agra-Delhi Chord	19,05,984	17,57,294	11,53,417	4,02,558	12,76,256		
Bhopal	4,79,385	4,10,815	2,93,887	1,03,214	3,25,642	4,55,00	4,05,12
Baran-Kotah	91,657	94,468	...	60,314	97,482		
Cawnpore-Banda	1,21,605	1,18,879	70,171	15,993	96,140		
Jodhpore-Hyderabad (British Section)	10,53,046	5,81,042	6,30,516	4,00,968	1,32,822	1,50	3,62
Lucknow-Bareilly	18,24,795	13,11,407	9,85,539	17,45,238	16,54,574	14,47	15,23
Madras and Southern Mahratta Railway	2,74,88,726	2,56,13,232	2,04,23,598	1,95,95,993	2,54,14,628	2,87,65	2,31,79
Mysore State lines	22,48,469	18,60,119					
Dhone-Kurnool	60,823	69,655	52,766	45,743	62,650		
South Indian	2,01,86,008	1,83,31,404	1,70,11,327	1,25,60,780	1,51,19,914	1,94,10	3,13,26
Tinnevelly-Quilon	8,05,578	7,40,650					
Tirhoot	68,55,083	61,83,669	55,08,019	64,52,185	77,51,307	73,48	77,28
Reserve including provision to meet customs duty charges and for writing down the value of stores.	...	...	...	...	...	...	—77,91
Exchange	...	...	...	...	...	2,19	2,09
TOTAL CENTRAL	39,14,89,756	33,55,24,681	26,46,37,769	16,02,49,374	27,25,98,093	33,21,19	30,59,05
England	3,08,925	7,29,105	...	...	...	4,83	4,83
Grand Total	39,17,98,681	33,63,13,789	26,46,37,769	16,02,49,374	27,25,98,093	33,26,02	30,63,88

Appendix III.

Capital Account of Indian Branch Line Companies.

Railways.	Actuals, 1922-23.		Revised Estimate, 1923-24.		Budget Estimate, 1924-25.	
	Receipts.	Withdrawals.	Receipts.	Withdrawals.	Receipts.	Withdrawals.
	R	R	R	R	R	R
Ahmedabad-Dholka	...	75	...	...	...	...
Ahmedabad-Parantij	...	528	...	...	...	...
Amritsar-Patti-Kasur	—26,000	13,337	13	24	95	95
Baripada Talband including Rajpoor Raipura and Maykhanj.	21,023	17,903	...	5	57	57
Branch lines under the Bombay, Baroda and Central India Railway.	...	...	3,52	3,52	1,19	1,19
Central Provinces Railways	12,000	20,222	13	14	20	20
Chaparmukh-Silghat	64,589	43,187	15	15	16	16
Guzerat Railways	...	—1,05,818	...	...	...	...
Hardwar-Dehra	...	75,238	66	66	1,00	1,00
Katakhal-Lala Bazar	2,10,000	5,21,442	...	2,46	2,46	...
Mymensingh-Bhairab Bazar.	...	...	1,84	1,84	2,00	2,00
Khulna-Bagerhat	8,050	8,653	20	10	15	26
Mandra-Bhaun	...	385	4	12	65	65
Pachora-Jamner	29,815	22,392	...	9	5	5
Sara Serajgunj	5,719	7,669	1,87	62	11	1,38
Sialkot-Narawal	...	...	...	6	48	48
Tapti-Valley	...	43,919	...	...	...	...
Total	3,25,196	6,69,132	8,54	10,05	9,97	8,89
Net receipts or withdrawals.	...	3,43,936	...	1,51	1,08	...

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A. HIRTZEL,
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GOVERNMENT OF INDIA

FINANCE DEPARTMENT.

BUDGET FOR 1925-26.

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PART I.

RAILWAY BUDGET.

Speech of the Railway Member

introducing the

Railway Budget for 1925-26.

PROCEDURE.

The Honourable Sir Charles Innes (Member for Commerce and Railways): Sir, I rise to present a statement of the estimated expenditure and revenue of the Governor General in Council for the year 1925-26 in respect of Railways. This is an important occasion for we are inaugurating to-day the new budget procedure which the separation of our railway finance from general finance has rendered possible. Under the convention to which the House agreed last September, the Railway contribution to the general revenues of the country is in great part a known figure. That is why I am to-day introducing the Railway Budget in advance of the General Budget. I can do so without giving away any of those secrets which my Honourable Colleague on my right guards so jealously. And in the matter of procedure alone, I hope that the House will agree with me that we get solid advantages from the new procedure. In the first place, I would beg the House to observe that the budget itself is not a mere departmental compilation. The Railway Finance Committee, a Committee elected by this House and containing only one official member, has examined the budget in detail and has approved generally of it. I take this opportunity of thanking them for their labours. As the House will see from the printed proceedings of the Committee which are being circulated, we worked them very hard, and Mr. Sim, their Chairman, tells me that he derived the greatest benefit from their advice and criticism. This year I am afraid that we had to rush them a little. We could not help ourselves, for we ourselves had to work very hard in order to get the budget in its new form ready in time, but in future years I hope we may be able to spread their budget work over a longer period. Again, Sir, another advantage that we derive from the new procedure is that we are able to give the House more time to consider the Railway Budget. A separate day is being given for a general discussion of the Budget, and the House will have four days next week to consider the Railway demands for Grants. This allowance may strike the House as insufficient for a budget which deals with an expenditure amounting to some 90 crores of rupees. But at any rate, it is an improvement on the procedure last year, when six days were set aside for all the demands of the Government of India including railways. And finally, Sir, we have attempted to place the budget before the Assembly in a form which not only gives more information about our Railway finances, but which will facilitate discussion. Last year there were merely two Railway votes—one for capital and one for revenue. This year we have split the budget into 15 votes. Two of them relate to strategic lines. The other thirteen relate to commercial lines. In addition to the general budget memorandum, we are circulating separate notes on each demand, and we are also circulating separate statements regarding

each and every railway that comes into our budget. These statements give for each Railway the revised estimate for 1924-25 and the budget estimate for 1925-26. And to each statement an explanatory memorandum is attached. It discusses how the Railway has done this year, what its prospects for next year are, what its programme for development and betterment is, and what expenditure we propose from the Depreciation Fund. We hope that by putting the budget up in this form we shall enable the House to keep an intelligent watch not only on the development of the Indian Railway system as a whole, but on each Railway, and I hope also that the amount of information we are giving to the House will clear away the last vestige of that suspicion which, I think, lurked in the minds of some Honourable Members last September that the object of the separation of Railway finance was to weaken the control of the Assembly over our budget.

Before I leave the question of procedure, I should like to add two remarks. The first is this. We do not regard the form in which we are putting up the budget this year as the last word on the subject of the best way of presenting the Railway budget to the House. As I have already explained, we were working against time, and we had to devise our own form. But we are quite open to suggestions for improvement, and if any suggestions are made either in the House or by the Railway Finance Committee, they will be most carefully considered before the time of the next budget. My other remark is in the nature of an appeal. We are circulating with the budget papers a statement which shows exactly what activities of the Railway Department each vote covers. We have done that, Sir, in order to let Honourable Members who wish to bring up any particular subject for discussion know under what vote that subject can most appropriately be discussed. I hope that Honourable Members will carefully study the statement in order that our debates may proceed in an orderly and useful manner. I should just like to reinforce the appeal which was made in this House at the beginning of this week by Sir Campbell Rhodes. I hope, Sir, that when Honourable Members put down motions for reductions, they will add a few words to explain exactly what point they wish to raise. I ask them to do this in their own interests as well as in the interests of the Government. For if we know beforehand exactly what subject each motion is intended to bring up, we shall come better prepared to give the information which the Honourable Member wants.

I come now to the budget estimates. They are explained in the budget memorandum and I propose only to deal with the more important figures. My idea is indeed to make to the House more or less the sort of speech which the Chairman of a Board of Directors would make to the shareholders of a Company. (Hear, hear). For I think that it might fairly be said that this is the position at which eventually we hope to arrive.

Revised Estimate for 1924-25.

Revenue.

I take first the revised revenue estimate for the current year. It is still only an estimate of course, but it is the best estimate we could make in the light of the latest figures available when we prepared the budget. I will begin by giving the figures in barest outlines. We place our revised estimate of gross receipts, that is, gross traffic receipts *plus* our share of the profits of subsidized Companies *plus* miscellaneous receipts at 98·01 crores. The figures of course are for commercial lines only. Our revised estimate

of our total charges, that is, working expenses *plus* surplus profits paid to Indian States and Railway Companies *plus* interest charges *plus* miscellaneous charges, amounts to 86·77 crores. We hope therefore that the gain from commercial lines during the current year will amount to 11·25 crores.

Comments on Revised Estimate.

Before I proceed to deal with the effect of these figures upon our contribution to general revenues in the current year, which is no doubt the point upon which the House takes a very keen interest, I should like to make one or two comments on these figures. Our gross receipts, if we realise them, will be nearly 5 crores better than the gross receipts of last year and more than 2½ crores better than our budget estimate. I think these are very satisfactory figures, but I do not propose to say very much about them. For the most part, the betterment is due to causes beyond our control, namely, good crops and improving trade. Had it not been for the disastrous floods both in North and in South India, our gross receipts would have been better still. But I think that there is one point in which perhaps we might claim a little credit, and it is this. I think that I can say that by more efficient working and by getting better use of our rolling stock we have been able to carry this greatly increased traffic without undue delay and without inconvenience to trade. Our expenditure figures are more interesting. If we exclude interest charges, surplus profits due to Indian States and Railway Companies and miscellaneous charges, we expect our working expenses in the current year to be 62 crores against 59·16 crores last year. But the figure 62 crores requires some explanation. To begin with, it has been decreased by a windfall of 1¼ crores. This sum represents a refund to revenue of customs duties paid on stores imported during recent years by Company Railways which according to a recent Privy Council decision they ought not to have paid. If we disregard this windfall, our working expenses this year will amount to 63·25 crores or 4 crores more than last year. But the figures are still misleading. Last year we had no depreciation fund and we charged to revenue only our actual expenditure on what we in those days called programme revenue, *i.e.*, renewals and replacements. In the current year, we charge to revenue our gross appropriations to the Depreciation Fund, namely, 10 crores and not merely our estimated actual expenditure from the fund, namely, 805 lakhs. It is perfectly right that we should charge to revenue these gross appropriations, but merely for the purpose of comparing our working expenses this year with those of last, we should deduct 195 lakhs from the figures 63·25 crores I have just given the House. If we compare the figures in this way, it means that this year we have spent 61·30 crores in order to earn 98 crores. Last year we spent 59·16 crores in order to earn 93·18 crores. In other words, though we have earned nearly 5 crores more, we have spent only 214 lakhs more. It is true that the rise in exchange has helped us to the extent of some 25 lakhs, but even so, the figures are, I think, very satisfactory and reflect great credit on the Railway Board and on the Railway Administrations. The House will remember that the Inchcape Committee set before us the standard that we should aim at earning 5½ per cent. on the capital invested on our Railways. If our revised estimates for this year prove correct, we shall have earned on commercial lines on the capital invested by Government 5·46 per cent., that is, very nearly 5½ per cent. held out as our standard by the Inchcape Committee.

Contribution for 1924-25.

I now come, Sir, to the contribution for 1924-25.

According to the convention agreed to by the Assembly last September, Central Revenues are entitled to receive from the Railways a contribution equal to 1 per cent of the capital at charge in the penultimate year *plus* 1/5 of the surplus profits in that year. The Assembly also stipulated that if after payment of the contribution so fixed the amount available for transfer to Railway Reserves should exceed 3 crores ⅓ of the excess over 3 crores should be paid to general revenues. I proceed now to inform the House how much we expect to contribute this year to general revenues. The House will remember that it was specially arranged that the contribution for the current year should be based not on the figures of 1922-23 (a year in which the profit from Railways was very small) but on those of 1923-24, and that what I may call the fixed contribution for 1924-25 should be repeated in 1925-26. This fixed contribution calculated at 1 per cent. of the capital at charge in 1923-24 *plus* 1/5 of the surplus profit of that year amounts to 630 lakhs odd. That represents what I may call our fixed contribution for 1924-25 and 1925-26 to general revenues. General revenues have, however, to meet the loss on strategic lines and that loss is taken for purposes of convenience as an offset against the amount due from commercial lines to general revenues. In 1923-24 this loss amounted to 121 lakhs. Therefore the net contribution payable to general revenues in 1924-25 and 1925-26 is 509½ lakhs. But though for convenience sake we pay a net contribution of 509½ lakhs, I would beg the House to observe that they are taking from us under the convention 630 lakhs. Now I mentioned just now that we anticipated that our gain from commercial lines during the current year would be 1,125 lakhs. But the estimated loss this year on strategic lines is 151 lakhs. The net gain therefore is 974 lakhs. From this amount we deduct the net contribution of 509½ lakhs and this leaves a balance of 465 lakhs. This is the amount for disposal. The excess over 3 crores is 165 lakhs. One-third of this or 55 lakhs has to be paid to general revenues and 410 lakhs go to our Railway reserves. The general taxpayer therefore gets a net payment from Railways in the current year of 564 lakhs or more than a crore more than Sir Basil Blackett budgeted for, and we get 410 lakhs into our reserve fund. But I would again emphasise that what the general taxpayer is really taking from commercial lines is not 564 lakhs but 685 lakhs.

BUDGET ESTIMATE FOR 1925-26.

Revenue.

I pass on to the budget estimate for 1925-26, and as in the case of the revised estimate for this year, I will first give a summary of the revenue figures. We are budgeting for gross receipts of 101 crores and for a gross expenditure of 91 crores. If the estimates prove correct, there will be a gain from commercial lines of 10 crores of rupees.

Receipts.

Of course we cannot foresee what the year 1925-26 has in store for us. As I have said, Railway results are peculiarly dependent upon the monsoon and upon the state of trade, and no one can forecast whether or not next year's monsoon will be a good one or not. But for

the moment the outlook is promising. It looks as if we might have a bumper wheat crop this year, and we may also hope to carry in the early months of 1925-26 a larger proportion of the cotton crop than usual. At any rate, this year's crop is reported to be bigger than that of last year, and so far less of it has come down to the Ports. Therefore, in the early months of next year we ought to carry more cotton than we did this year. Given, therefore, a normal monsoon and a fair state of trade, we hope that we shall top our figures of this year good though they were, and we are budgeting for gross receipts of 101 crores or three crores in excess of those of this year.

Expenditure.

As regards expenditure, I neglect for the moment such charges as interest charges and surplus profits paid to Indian States and Railway Companies and confine myself to working expenses proper. I have just explained that if we take no account of the windfall of customs duty, our working expenses this year are expected to amount to 63·25 crores. Next year we are budgeting for a figure of 65·79 crores or 2½ crores more. One reason for this excess is that we hope to make a beginning with a very important improvement, namely, the provision of automatic couplers, and we are providing 70 lakhs for that purpose. I may say that the introduction of automatic couplers should result not only in great economy but also in a diminution of accidents among our staff. We are also setting aside 50 lakhs for speeding up repairs to rolling stock, and we are allotting 50 lakhs to meet the cost of the measures we are now taking to get rid of surplus and unserviceable stores. I should also mention that 26 lakhs have been provided in the budget for the cost of extending to officers of Company Railways the Lee Commission concessions with effect from 1st April last. We have thought it prudent to make this provision in the budget, but I must make it plain that it has not yet been decided whether these benefits should be conferred on the officers of Company Railways in whole or in part or from what date. It is a question which still has to be considered by the Government of India and the Secretary of State. If allowance be made for these additions to our expenditure, it will be seen that we hope to keep the direct cost of operation, if any thing, below this year's figures in spite of the fact that we are budgeting for earnings 3 crores in excess of this year's figures. Our interest charges, owing to the new capital charges we are incurring are likely to be some 82 lakhs higher in 1925-26, and as I have said, we are budgeting in all for total charges amounting to 91 crores of rupees.

Contribution for 1925-26.

I have explained how we have calculated the contribution for 1924-25, and I will not go into the details regarding the contribution for 1925-26. It is sufficient to say that we expect our net contribution for 1925-26 to be 524 lakhs or 40 lakhs less than the contribution for the current year. The reduction is accounted for by the increase in the net receipt of the current year of 125 lakhs due to the refund to revenue of customs duty. This figure, however, is the net contribution. The gross contribution from commercial lines will amount to 645 lakhs, and we expect to pay into our Railway Reserves 328 lakhs of rupees.

Railway Reserves.

If therefore our figures prove correct, we shall have in Railway Reserves at the end of 1925-26 a sum of 738 lakhs of rupees. Now, under the terms of the convention these Railway Reserves are to be used (1) to secure the payment of the annual contribution to general revenues, (2) to provide if necessary for arrears of depreciation and for writing down and writing off capital and (3) to strengthen the financial position of Railways in order that the services rendered to the public may be improved and rates reduced. The House will no doubt want to know whether we propose to make any use of our reserves in 1925-26. The answer is no. In the first place, our anticipation that at the end of this year we shall be able to place 410 lakhs to Railway Reserves is only an anticipation. Until the actuals of the year are known, we shall not know exactly what sum we have at our disposal in the reserve fund. Still less can we say for certain whether we shall realise our hope that at the end of 1925-26 we shall be able to place another 328 lakhs to reserve. Our estimates for next year are based on a normal monsoon and a fair state of trade. If our hopes in this respect are falsified and if the monsoon is a bad one, we may be able to place nothing at all to reserves. In any case, we have to bear in mind that in 1926-27 we have to pay a contribution, based on the current year's working, of approximately 735 lakhs from commercial lines.

This means that if in that year we make no profits, the whole of our estimated reserves will be absorbed in paying the contribution for that one year. The risk of exchange again has to be borne in mind. A drop in the exchange value of the rupee to 1*s.* 4*d.* would increase our revenue charges by 1¼ crores, and all things considered we are satisfied that the prudent course is to make no proposals this year for the utilisation of our reserve funds. After all, a reserve of 410 lakhs is less than 1 per cent. of our capital at charge, and it represents only a little more than 4 per cent. of our gross earnings in the current year.

Capital budget, 1924-25.

So far I have dealt only with our revenue budget. I propose now to say a few words about our capital budget. For the current year the Legislative Assembly approved last March of a capital expenditure of 30 crores during the current year. Approximately 25 crores were for rehabilitation and improvement of existing lines and 5 crores were for new construction. The actual amount which it is expected to spend during the current year is only 12·85 crores resulting in a lapse of 17·15 crores. I am prepared to admit at once that the figures are disappointing, but they are not quite so disappointing as they look. I have referred already to our windfall in the shape of a refund of customs duty. That windfall amounts in all to 280 lakhs. 125 lakhs go to revenue. 155 lakhs goes towards reduction of the total capital at charge. We anticipate also that there will be a reduction in the capital locked up in stores amounting to 4 crores. That is to say, our total capital expenditure in the current year is likely to be 18·4 crores, or much the same as last year. Even so, the figures indicate a very considerable short spending, but as the causes of this short spending have been analysed at some length in the Administration Report for last year which we published only a few weeks ago, I shall not weary the House by travelling over the ground again. I will merely say that we hope to effect a considerable improvement in this

matter. Indeed as I shall show when I come to the capital budget for 1925-26, we are counting on this improvement manifesting itself next year.

Capital budget for 1925-26.

Agents have informed us that next year they will be able to spend on works approved by the Railway Board 32 crores of rupees. We attach great importance to the earliest possible completion of approved works. The sooner they are completed, the sooner they will begin to pay us a return on our investment. But in view of what I have just said, the House will not be surprised when I say that we regard the estimate of the Agents as optimistic and that we have some doubts whether they will be able to spend the full amount asked for. Instead of cutting down the demand, however, we have shown a probable saving of over 9 crores and we are asking the House to vote 6½ crores for new construction and 16·20 crores for open line works.

Open Line Works.

Of the amount asked for by Agents 23·7 crores are required for Open Line works and rolling stock, involving, I may mention, a consequent provision of more than 11 crores from expenditure from the Depreciation Fund. The main purposes to which this money is being devoted are explained in the Budget Memorandum, but the House will, I think, be interested, if I mention just a few of them. We are providing in terms of 4-wheelers for 3,857 new goods wagons and for 822 new coaching vehicles, 755 of these latter being lower class vehicles. Apart from these additions and betterments to lower class carriages, which will cost us nearly 1½ crores, we are spending some 30 lakhs on amenities for 3rd class passengers in the shape of waiting sheds, refreshment rooms, booking facilities, water-supply arrangements and the like. Honourable Members will no doubt have read recently in the Press of the reopening of the electrified Harbour Branch of the Great Indian Peninsula Railway. That constitutes what I am sure will prove to be a landmark in Indian Railway history, for it is the first electric railway in India. We are continuing that work and we are providing 103 lakhs for the electrification of the Great Indian Peninsula suburban line and 77 lakhs for the electrification of the Bombay, Baroda and Central India suburban line into Bombay. 18 important station yards are being remodelled in order to improve our traffic service and to reduce delays to wagons in transit at a cost of nearly 3 crores. More than 3 crores are being spent in remodelling workshops, notably at Charbagh on the Oudh and Rohilkhand Railway, at Trichinopoly on the South Indian Railway, Dohad on the Bombay, Baroda and Central India Railway, and at Perambur on the Madras and Southern Mahratta Railway. 58 lakhs are being spent on doubling certain sections of the Bengal Nagpur Railway. 38 lakhs have been provided for the doubling of the Grand Chord on the East Indian Railway and 34 lakhs for quadrupling the Bandra-Borivli and Bandra-Grant Road sections of the Bombay, Baroda and Central India Railway and the Bassein bridges on the same Railway are being rebuilt.

New construction.

Eight and half crores of rupees are required for new construction. A full list of the lines which are under construction or the construction of

which we hope to begin next year will be found in Demand No. 7. There are 40 of them with an aggregate mileage of 2,138 miles, and a reference to that Demand will show that we are embarking on a programme of new construction which will eventually cost more than 44 crores of rupees. It is a large sum of money, but the financial prospects of the various projects have been carefully examined, and we believe that these lines will pay us handsomely. I am confident that the House will thoroughly approve of a bold policy of remunerative railway development. My own conviction is that the best way in which the Government can foster the expansion of Indian trade and Indian industries and thereby increase the wealth and prosperity of India is by extending her railway system. I do not think it can be denied that we are behind hand in this matter. In this great continent with its 318 million inhabitants we have only 38,000 miles of railway. Contrast England with its 50,000 miles and the U. S. A. with its 250,000 miles. If you look at a map of India, you see great gaps in which there are no railways. The Rajpur-Parvatipur Railway—a railway I may mention in passing the construction of which is dependent on the opening of a harbour at Vizagapatam—will fill in one of these gaps. It will open up a great tract of 125,000 square miles which at present is entirely without railway communication. Incidentally it will provide the east of the Central Provinces with an outlet to the sea. The central coalfields railway will fill in another gap. Madras has always complained that she has been starved of railway development, and in the south of the Presidency we hope to take up four projects covering some 300 miles of railway, namely, the Villupuram-Trichinopoly, Virudunagar-Tenkasi, Dindigul-Pollachi and Trichinopoly-Karaikudi lines. It is the same with Burma and we have several lines either under construction or in the programme for that country. I may mention that the Chief Commissioner and Mr. Sim paid a prolonged visit to Burma last December, and discussed railway development in Burma with Sir Harcourt Butler and his Government. That is part of our policy now. The Railway Board by frequent tours tries to keep in closest possible touch with Local Governments in regard to railway matters.

New policy in regard to Branch and Feeder Railways.

What I have just said about our proposals for new construction leads on to a reference to the new policy which we have formulated, in consultation with the Central Advisory Council, in regard to Branch and Feeder Lines. The House is no doubt aware that 30 years ago when the Government of India themselves were in difficulties for money for new capital expenditure, a system was originated of financing the construction of Branch and Feeder Lines through Branch Line Companies guaranteed by Government. For the encouragement of such Companies, Branch Line terms were drawn up and were kept on tap. These were the terms on which Government were prepared to give to private Companies for money required for the construction of Branch or Feeder lines. This system undoubtedly enabled lines to be built which otherwise would not have been built, but in other respect it came in for severe criticism from the Acworth Committee, which indeed thought that the aim should be rather to reduce the number of existing private Companies than to create new ones. We have recently had the whole subject under our consideration. The existing Branch Line terms are quite out of date. If they are to serve the purpose for which they were originally intended, we should have to revise them on much more liberal lines, and with the approval of the Central Advisory Council

we do not propose to undertake that revision. We think that the more economical and better course is for us to construct ourselves remunerative new lines. I do not think that the House need fear that this policy will lead to a slowing down of new construction. In the Railway Board we have new projects under constant examination, and indeed the capital expenditure on the new projects included in Demand No. 7 is four times as great as all the capital raised in the last 30 years by Branch Line Companies. Nor do we propose to neglect projects which, though they cannot be classed as remunerative, may be required by Local Governments for administrative or other reasons. We are quite prepared to consider any such project, provided that the Local Government is prepared to guarantee it from provincial revenues.

Local Governments thoroughly approve of this policy, and we are already constructing two new lines on this basis, the Shoranur-Nilambur line in Madras and the Moulmein-Ye line in Burma. Other projects are under examination.

Compensation claims.

Before I leave the Budget proper, there are one or two special points to which I wish to draw attention. One is that of compensation claims. In 1922-23 the amount paid out in compensation claims reached the enormous figure of 121 lakhs, a figure which very naturally attracted unfavourable comment from the Inchcape Committee. In 1923-24 we succeeded in reducing payments under this head to 78 lakhs. This year we hope that there will be a further fall to 67 lakhs and in 1926-27 we are providing only 47 lakhs. This substantial reduction has been effected by unremitting work on the part of the Railway Administrations and the Railway Board. Improvements in office procedure have enabled claims to be disposed of more expeditiously; watch and ward staffs have been strengthened; and generally better arrangements have been made to cope with what is a very serious evil.

Coal contracts.

The other matter to which I wish to refer specially is our coal bill. Last year by negotiations in Calcutta the Railway Board managed to secure a revision of the coal contracts which pressed so hardly upon us. We have also been devoting special attention to economy in fuel consumption, and the result is that in spite of the very much larger traffic carried in the current year than in 1923-24, we expect our total coal bill to be less by 18 lakhs than it was last year. In 1925-26, in spite again of the further increase of traffic for which we are estimating we hope for a further reduction of 19 lakhs in our expenditure on coal.

Indianisation.

Before I sit down there are one or two other matters to which, I think, the House will wish me to refer in spite of the fact that they are not directly concerned with finance. One of course is the question of Indianisation. Three statements have been included in the Budget Memorandum, giving the number of Indians, Anglo-Indians and Europeans in the gazetted ranks of Indian Railways, and similar statistics for subordinate posts carrying a pay rising to Rs. 250 per mensem and over. These statements show that in the 12 months ending October 1924 the number of Indians in superior appointments rose from 280 to 310 and the number of Indian upper subordinates from 1,821 to 1,929. On State Railways other than the

E. I. Railway, which we have only just taken over, Indians already fill about 30 per cent. of gazetted posts, and though I suppose the Railway Department has the reputation of being the most stiff-necked Department of all in this matter, I do not believe there is any department or at any rate very few, which can show equal results. But what I am concerned with is the future rather than the past. We have accepted the recommendation of the Lee Report that 75 per cent. of recruits for Superior Departments in the Railway Service should be recruited in India, and what I wish to say is that the provisional proposals of the Railway Board in regard to recruitment and training which have been formulated in order to carry the above recommendation into practical effect are now ready, and I hope to discuss them with the Central Advisory Council before the present session ends. Honourable Members are apt to complain that few Indians have risen to high posts in the Railways and none to the Railway Board. That is true. But they must remember that it is only in recent years that Indians have joined the gazetted ranks of railway offices in any number, and time must be allowed for them to find their way to the top. The question of subordinate posts is much more difficult. In one sense, of course, it is not a racial question at all. It is rather a communal question. To a very large extent the Subordinate Railway Service is already Indianised in that the posts are largely held by Anglo-Indians. Leaving this point aside, the difficulty is this. When railways were first started in India and for many years afterwards, Indians did not come forward for work of this kind, and railways got more and more into the habit of relying on the European of the country and the Anglo-Indian. It is work for which the Anglo-Indian appears to be specially fitted. Possibly he has acquired a sort of hereditary aptitude for it. At any rate, he has made good, the railway authorities are accustomed to him and like to employ him in subordinate railway appointments. Now there is a change. Indians wish also to be employed in these appointments, and they complain that they are up against vested interests and that the subordinate railway employ is, so to speak, the close preserve of the Anglo-Indian. The complaint, I think, is specially directed towards the subordinate Traffic Department and indeed it is a noticeable fact that at all important stations almost every railway official in a position of authority that one sees is a European or an Anglo-Indian. Now all I can say on this problem is this. It is impossible to make any immediate drastic change. I am not prepared to say that Anglo-Indians or Europeans who are working well should lose their jobs or their promotion in order to make way for Indians and I do not believe anybody wants me to say that. But what I do say is that the Indian should have his chance. If the Indian of the requisite education is prepared to go through the drudgery, the hard work and the irregular hours, which are a prerequisite to promotion to the better posts in the subordinate traffic service, then I say he should get the chance of doing so, and, if he proves himself fit for promotion, he then should get his promotion. That I consider is the only possible policy, and it is with this policy in view that we are starting a training school on the 1st March at Chandausi. One of the functions of this school will be to train subordinates particularly for the Transportation Department.

Stores Purchase Policy.

Another important question to which the House attaches great importance is the extent to which railway materials are obtained in India. In the report by the Railway Board on Indian Railways for 1923-24 the

matter is discussed at length and the purchases of materials are analysed in detail under each head. From the detailed explanations there given, it will be seen that orders have been placed in India wherever possible, and that it has only been in cases where it was found impossible to obtain materials in India at a reasonable price that orders have gone abroad. In the supply of rails, for example, orders were placed in this country which were greater than the Tata Iron and Steel Company were able to comply with. In the current year two important developments in this matter have taken place. Owing to the adoption by the Assembly of the recommendations of the Tariff Board for the grant of bounties to the wagon building industry, we have been able to place orders for the supply of wagons up to the full capacity of the firms in India engaged in the industry. It has also been decided, with the concurrence of the Central Advisory Council, to obtain the services of a timber expert from the Forest Department in order to enable the railways to make full use of the supply of Indian timbers, not only for sleepers but for other purposes such as body work in coaching stock. I think we can confidently challenge any one to show that orders have gone abroad which could reasonably have been placed in India.

Passenger fares.

Another question in which the House I know takes a great interest is that of passenger fares, and I believe that there is a certain soreness that whereas some reductions have been made in upper class fares, third class fares have remained untouched. I should just like to explain the railway point of view. We apply the practical railway criterion, 'Can the traffic bear the rate?' Now I would ask the House to apply this maxim to the figures I shall put before them. The following are the relevant statistics in regard to 1st class passengers:—

Year.	Number (thousands).	Earnings (lakhs).
1921-22	1163	138
1922-23	918	139
1923-24	817	129

It will be seen that we lost not only in passengers but in earnings. That is why some railways judged it necessary to reduce 1st class fares.

Take again 2nd class passengers. Here are the figures.

Year.	Number (thousands).	Earnings (lakhs).
1921-22	6549	228
1922-23	5134	211
1923-24	4538	195

Here again we found that the rate was too high and there was a progressive decline both in passengers and earnings. That is why some railways found it necessary to reduce fares.

Now I would ask the House to contrast the figures for third class passengers:—

Year.	Number (millions).	Earnings (lakhs).
1921-22	491	2,841
1922-23	503	3,220
1923-24	513	3,291

It will be seen that there was a progressive increase both in passengers and earnings. The annual rate of increase perhaps is slower than it was before the war, and it might be argued that a reduction in fares would pay us by the increase of passengers it would bring us. But in the first place we should be taking risks. If there were no increase of passengers traffic, even a reduction of ½ a pie per mile in 3rd class fares, would cost us 4½ crores a year. Secondly, even assuming that there were a large increase in passenger traffic, it is certain that we should not have sufficient coaching stock to carry the increased traffic. I have already said that we are providing in the budget in terms of four-wheelers for 755 new third class carriages. The provision we have made is limited by the capacity of our workshops, and we propose to consider in consultation of course with the Railway Finance Committee whether we cannot adopt other measures which will enable us to put more coaching stock on the lines. That, I think, is all I can usefully say on the subject at present; but I should like to assure the House that it is a subject which we have under constant examination.

Conclusion.

I am afraid that I have already wearied the House and I will bring my speech to a close. The year which is now ending has been marked by many important events. Two of these indeed are of outstanding importance, namely, the taking over the East Indian Railway and the separation of Railway finance from General finance. But the real importance of the year in my opinion lies in the evidence it affords of a real advance towards live, efficient, business management of the Indian Railways. Some one said the other day in the Central Advisory Council that there was a new spirit abroad in the Railway Board. I believe that remark to be true, and if it is true, the credit rests with two men, Mr. Hindley and Mr. Sim. But, Sir, it is not only in the Railway Board that that new spirit is abroad, and we, who are ultimately responsible to the House for the management of the Indian Railway system, know how much we are indebted, for loyal co-operation and unremitting work, to Railway Agents and Railway officers and men throughout India.

Budget

of the

Railway Revenue and Expenditure of the Government of India,

February 1925

ACCOUNTS	1923-24
REVISED ESTIMATES	1924-25
BUDGET ESTIMATES	1925-26

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1.—Statement of the Revenue of the Central

HEADS OF REVENUE.	Accounts, 1923-24.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XI.—State Railways—						
(a) Commercial lines—						
Gross receipts—						
Passenger traffic earnings.	40,36,40,000	...	...	40,36,40,000	35,55,00,000	...
Other coaching traffic earnings.					5,79,00,000	...
Goods traffic earnings .	56,73,28,000	...	...	56,73,28,000	61,02,00,000	...
Sundry earnings . .	2,67,84,269	4,82,827	2,21,211	2,74,88,307	2,60,00,000	4,83,000
Total earnings .	99,76,61,269	4,82,827	2,21,211	99,83,65,307	1,04,96,00,000	4,83,000
Deduct—Earnings of worked lines.	6,87,50,000	...	...	6,87,50,000	7,31,00,000	...
Earnings of State Railways.	92,89,11,269	4,82,827	2,21,211	92,96,15,307	97,65,00,000	4,83,000
Suspense . . .	—1,78,113	...	...	—1,78,113	...	...
Gross receipts of State Railways.	92,87,33,156	4,82,827	2,21,211	92,94,37,194	97,65,00,000	4,83,000
Deduct—Working expenses of State Railways.*	59,15,60,185	...	...	59,15,60,185	61,96,14,000	3,36,000
Surplus profits paid to Indian States and railway companies.	1,14,46,008	...	...	1,14,46,008	1,49,00,000	...
Net receipts . . .	32,57,26,963	4,82,827	2,21,211	32,64,31,001	34,19,86,000	1,47,000
(b) Strategic lines—						
Gross receipts . .	1,71,15,149	...	...	1,71,15,149	1,85,00,000	...
Deduct—Working expenses	1,89,67,892	...	...	1,89,67,892	2,17,00,000	...
Net receipts . . .	—18,52,743	...	...	—18,52,743	—32,00,000	...
Total net receipts, Commercial and Strategic lines.	32,38,74,220	4,82,827	2,21,211	32,45,78,258	33,87,86,000	1,47,000
Interest on Depreciation and Reserve Funds.	...	...	...	...	...	...
XII.—Subsidized Companies: Government share of surplus profits.	5,35,320	12,26,389	6,02,426	23,64,135	3,95,000	18,63,000
Total receipts .	32,44,09,540	17,09,216	8,23,637	32,69,42,393	33,91,81,000	20,10,000

* For details see statement 1(*a*).

J. M. HARTLEY,
Accountant General, Railways.

Government from railways in India and England.

1924-25.		Increase (+) Decrease (-) as compared with the Budget Estimate, 1924-25.	Budget Estimate, 1925-26.				Increase (+) Decrease (—) as compared with the Revised Estimate, 1924-25.
Exchange.	Total.		India.	England.	Exchange.	Total.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	35,55,00,000	−21,01,000	36,50,00,000	...	...	36,50,00,000	+95,00,000
...	5,79,00,000		5,81,00,000	...	...	5,81,00,000	+2,00,000
...	61,02,00,000	+3,42,66,000	63,00,00,000	...	...	63,00,00,000	+1,98,00,000
1,79,000	2,66,62,000	−19,43,000	2,73,00,000	4,83,000	1,61,000	2,79,44,000	+12,82,000
1,79,000	1,05,02,62,000	+3,02,22,000	1,08,04,00,000	4,83,000	1,61,000	1,08,10,44,000	+3,07,82,000
...	7,31,00,000	+39,32,000	7,39,00,000	...	...	7,39,00,000	+8,00,000
1,79,000	97,71,62,000	+2,62,90,000	1,00,65,00,000	4,83,000	1,61,000	1,00,71,44,000	+2,99,82,000
...	...	...	...	...	...	...	...
1,79,000	97,71,62,000	+2,62,90,000	1,00,65,00,000	4,83,000	1,61,000	1,00,71,44,000	+2,99,82,000
1,25,000	62,00,75,000	−2,17,27,000	65,22,53,000	42,63,000	14,21,000	(a) 65,79,37,000	+3,78,62,000
...	1,40,00,000	+34,13,000	1,33,50,000	..	...	1,33,50,000	−15,50,000
54,000	34,21,87,000	+4,46,04,000	34,08,97,000	−37,80,000	−12,60,000	33,58,57,000	−63,30,000
...	1,85,00,000	−13,20,000	1,85,00,000	...	...	1,85,00,000	...
..	2,17,00,000	−8,92,000	2,17,25,000	...	...	2,17,25,000	+25,000
...	−32,00,000	−5,18,000	−32,25,000	...	...	−32,25,000	−25,000
54,000	33,89,87,000	+4,40,86,000	33,76,72,000	−37,80,000	−12,60,000	33,26,32,000	−63,55,000
...	...	...	32,35,000	...	...	32,35,000	+32,35,000
6,92,000	29,50,000	+3,58,000	4,57,000	19,65,000	6,55,000	30,77,000	+1,27,000
7,46,000	34,19,37,000	4,44,44,000	34,13,64,000	−18,15,000	−6,05,000	33,89,44,000	−29,93,000

(a) Of this amount 48,00,000 is non-voted.

G. G. SIM,
Financial Commissioner.

1 (*a*).—Statement of Working Expenses of State

	Accounts, 1923-24.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Administration . . .	11,96,58,000	...	...	11,96,58,000	12,31,39,000	3,36,000
Repairs and maintenance .	16,07,47,000	...	...	16,07,47,000	17,56,00,000	...
Operation	26,67,81,588	...	...	26,67,81,588	26,03,25,000	...
Depreciation	7,24,49,000	...	...	(*a*) 7,24,49,000	10,00,00,000	...
Suspense	—19,22,403	...	...	—19,22,403	—24,50,000	...
Total .	62,67,13,185	...	...	62,67,13,185	65,66,14,000	3,36,000
Deduct—Share of Worked Lines.	3,51,53,000	...	...	3,51,53,000	3,70,00,000	...
Working Expenses .	59,15,60,185	...	...	59,15,60,185	61,96,14,000	3,36,000

(*a*) The figure represents the expenditure incurred on Programme Revenue during 1923-24.

J. M. HARTLEY,

Accountant General, Railways.

Railways—Commercial Lines.

1924-25.		Increase (+) Decrease (—) as compared with Budget, 1924-25.	Budget Estimate, 1925-26.				Increase (+) Decrease (—) as compared with Revised, 1924-25.
Exchange.	Total.		India.	England.	Exchange.	Total.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,25,000	12,36,00,000	...	12,22,16,000	42,63,000	14,21,000	(b) 12,79,00,000	+43,00,000
...	17,56,00,000	...	18,75,00,000	...	...	(c) 18,75,00,000	+1,19,00,000
...	26,03,25,000	...	27,39,87,000	...	...	27,39,87,000	+1,36,62,000
...	10,00,00,000	...	10,38,00,000	...	...	10,38,00,000	+38,00,000
...	—24,50,000	...	15,50,000	...	...	15,50,000	+40,00,000
1,25,000	65,70,75,000	—2,03,05,000	68,90,53,000	42,63,000	14,21,000	69,47,37,000	+3,76,62,000
...	3,70,00,000	+14,22,000	3,68,00,000	...	...	3,68,00,000	—2,00,000
1,25,000	62,00,75,000	—2,17,27,000	65,22,53,000	42,63,000	14,21,000	65,79,37,000	+3,78,62,000

(b) Of this amount 48,00,000 is non-voted.
(c) „ „ 90,000 is non-voted.

G. G. SIM,
Financial Commissioner.

2.—Statement of the expenditure on railways charged to

Head of Expenditure.	Accounts, 1923-24.				Revised Estimate,		
	India.	England.	Exchange.	Total.	India.	England.	Exchange.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10. State Railways:—							
Interest: commercial lines:							
on Government capital at charge.	10,19,76,623	4,34,72,394	2,00,03,722	16,54,52,739	11,30,59,000	4,39,63,000	1,63,29,000
on capital contributed by Indian States and Companies.	(b) 2,76,344	2,11,38,722	95,79,308	3,09,94,374	(b) 3,09,000	1,92,19,000	71,39,000
interest portion of annuities.	...	3,35,75,450	1,54,06,057	(a) 4,89,81,516	...	2,11,76,000	78,65,000
Sinking Funds . .	...	32,72,056	15,03,283	47,75,339	...	...	...
Total interest, commercial lines.	10,22,52,967	10,14,58,631	4,64,92,370	25,02,03,968	11,42,68,000	8,43,58,000	3,13,33,000
Interest, strategic lines .	1,02,37,398	...	...	1,02,37,398	1,18,58,000	...	..
Total interest .	11,24,90,365	10,14,58,631	4,64,92,370	26,04,41,366	12,61,26,000	8,43,58,000	3,13,33,000
11. Subsidized Companies: Land and subsidy.	5,40,450	...	...	5,40,450	5,00,000	...	...
12. Miscellaneous Railway expenditure.	—6,19,998	14,77,645	6,81,995	15,39,642	—41,000	16,40,000	6,12,000
Payments to general revenues—							
Contribution* . .	...	..	...	...	5,09,52,104	...	.
One-third of the excess of railway surplus over three crores.	..	...	...	...	54,82,632	...	...
Total payment to general revenues.	...	...	...	...	5,64,34,736	...	...
Reserve Fund . . .	...	...	..	...	4,09,65,264	..	...
Total .	11,24,10,817	10,29,36,276	4,71,74,365	26,25,21,458	22,39,85,000	8,60,07,000	3,19,45,000

* For details see Statement 2 (a).

(a) Includes annuity payments in redemption of capital.

(b) Represents interest on the state share of joint debenture stock.

J. M. HARTLEY,
Accountant General, Railways.

the revenue of the Central Government in India and in England.

1924-25.		Budget Estimate, 1925-26.						
Total.	Increase (+) Decrease (—) as compared with Budget, 1924-25.	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1924-25.	Distribution of total between	
							Voted.	Non-voted.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
17,42,51,000	—52,49,000	12,43,29,000	7,29,17,000	2,43,05,000	22,15,51,000	+4,73,00,000	...	22,15,51,000
2,66,67,000	—13,42,000	(b) 3,20,000	1,22,33,000	40,78,000	1,66,31,000	—1,00,36,000	...	1,66,31,000
2,90,41,000	—7,15,000	...	...	...	...	—2,90,41,000	...	...
...	...	...	...	...	...	...	...	...
22,99,59,000	—73,06,000	12,46,49,000	8,51,50,000	2,83,83,000	23,81,82,000	+82,23,000	...	23,81,82,000
1,18,58,000	+12,89,000	1,21,15,000	...	...	1,21,15,000	+2,57,000	..	1,21,15,000
24,18,17,000	—60,17,000	13,67,64,000	8,51,50,000	2,83,83,000	25,02,97,000	+84,80,000	...	25,02,97,000
5,00,000	—11,00,000	5,50,000	...	...	5,50,000	+50,000	5,50,000	...
22,20,000	—25,000	28,000	21,39,000	7,13,000	28,80,000	+6,60,000	18,31,000	10,49,000
5,09,52,104	+5,09,52,104	5,09,52,104	...	...	5,09,52,104	...	5,09,52,104	...
54,82,632	+54,82,632	14,21,632	...	...	14,21,632	—40,61,000	14,21,632	...
5,64,34,736	+5,64,34,736	5,23,73,736	...	...	5,23,73,736	—40,61,000	5,23,73,736	...
4,09,65,264	+4,09,65,264	3,28,43,264	...	...	3,28,43,264	—81,22,000	3,28,43,264	...
34,19,37,000	+9,02,58,000	22,25,59,000	8,72,89,000	2,90,96,000	33,89,44,000	—29,93,000	8,75,98,000	25,13,46,000

G. G. SIM,
Financial Commissioner.

2 (*a*).—Contribution from railway to general revenues, 1924-25 and 1925-26.

(Based on actuals, 1923-24.)

	Rs.	Rs.
1. 1 per cent. on capital of 5,40,42,52,040 at charge, commercial lines	...	5,40,42,520
2. (i) Receipts—		
Gross traffic receipts, commercial lines	92,94,37,194	
Subsidised Companies, share of surplus profits	23,64,135	
		93,18,01,329
(ii) Charges—		
Working expenses, commercial lines	59,15,60,185	
Indian States and Railway Companies' share of surplus profits	1,14,46,008	
Interest—		
On capital at charge, commercial lines	16,54,52,739	
Interest portion of annuities	3,12,26,766	
On capital contributed by Indian States and Companies	3,09,94,374	
Land and subsidy	5,40,450	
Miscellaneous Railway expenditure	15,39,642	
Contribution at 1 per cent. on capital at charge, commercial lines	5,40,42,520	
		88,68,02,704
(iii) Surplus	...	4,49,98,625
(iv) Contribution of one-fifth of surplus	...	89,99,725
3. (i) Total contribution from railway revenues [1 *plus* 2 (iv)]	...	6,30,42,245
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital of 26,32,57,762	1,02,37,398	
(ii) Loss in working	18,52,743	
		1,20,90,141
(ii) Net payment due from railway to general revenues in 1924-25 and 1925-26 . . .	...	5,09,52,104

J. M. HARTLEY,
Accountant General, Railways.

G. G. SIM,
Financial Commissioner.

3.—Statement of receipts of the Central Government in India and England from State

HEAD OF ACCOUNT.	Accounts, 1923-24.				Revised Estimate,		
	India.	England.	Exchange.	Total.	India.	England.	Exchange.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XLI.—Capital contributed by Railway Companies and Indian States towards outlay on State Railways.	...	—71,55,000	—31,30,684	—1,02,84,684	...	—18,92,60,000	—8,72,85,000

J. M. HARTLEY,

Accountant General, Railways.

Capital contributed by Railway Companies and Indian States towards outlay on Railways.

1924-25.		Budget Estimate, 1925-26.						
Total.	Increase (+) Decrease (—) as compared with Budget, 1924-25.	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1924-25.	Distribution of total between	
							Voted.	Non-voted.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
—27,65,45,000	+6,20,000	...	—4,13,50,000	—1,58,80,000	—5,71,30,000	+21,94,15,000	.....	—5,71,30,000

G. G. SIM,

Financial Commissioner.

4.—Statement of the Capital Expenditure of the

Head of Expenditure.	Accounts, 1923-24.				Revised Estimate,		
	India.	England.	Exchange.	Total.	India.	England.	Exchange.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Railway Capital not charged to Revenue :—							
53.—Construction of State Railways :—							
(a) Commercial Lines	...	...	...	...	...	...	...
Open Line Works—							
Rolling Stock	...	...	...	9,47,93,994	...	...	...
Other Works	...	...	...	11,00,76,269	...	...	...
New Lines	...	...	...	2,77,67,745	...	...	...
Suspense	...	...	...	—3,36,45,685	...	...	...
(b) Strategic Lines	...	...	...	90,06,149	...	...	...
Deduct—Probable Savings	...	...	...	...	...	...	...
Total	6,43,57,530	9,89,77,646	4,46,63,296	20,79,98,472	2,67,75,000	7,50,00,000	2,67,25,000
54.—Redemption of liabilities involved in purchase of Railways	...	...	...	...	...	...	...

J. M. HARTLEY,

Accountant General, Railways.

Central Government in India and England on Railways.

1924-25.		Budget Estimate, 1925-26.						
Total.	Increase (+) Decrease (—) as compared with Budget, 1924-25.	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1924-25.	Distribution of total between	
							Voted.	Non-voted.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	...	...	...	...	...	...	...	...
6,32,31,000	—78,07,000	...	...	...	8,36,49,000	+2,04,18,000	8,36,49,000	...
11,68,46,000	—5,18,12,000	...	...	...	17,23,75,000	+5,55,29,000	17,22,90,000	85,000
3,53,85,000	—79,75,000	...	...	...	8,44,09,000	+4,90,24,000	8,40,79,000	3,30,000
—7,31,34,000	—3,32,05,000	...	...	...	—2,15,53,000	+5,15,81,000	—2,15,53,000	...
61,72,000	+36,28,000	...	...	...	28,50,000	—33,22,000	28,20,000	30,000
2,00,00,000	+7,43,29,000	...	...	...	9,17,30,000	+7,17,30,000	9,17,30,000	...
12,85,00,000	—17,15,00,000	12,97,67,000	7,51,75,000	2,50,58,000	23,00,00,000	+10,15,00,000	22,95,55,000	4,45,000
...	...	...	2,57,50,000	85,83,000	3,43,33,000	+3,43,33,000	...	3,43,33,000

G. G. SIM,

Financial Commissioner.

A.—Railway Depreciation Fund.

	Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.		Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	...	...	...	2,10,00,000	Appropriation from Depreciation Fund.	...	...	8,25,00,000	9,50,00,000
Appropriation to Depreciation Fund.	...	...	10,35,00,000	10,73,25,000	Closing Balance.	...	...	2,10,00,000	3,33,25,000
TOTAL .	...	...	10,35,00,000	12,83,25,000	TOTAL .	..	...	10,35,00,000	12,83,25,000

J. M. HARTLEY,
Accountant General, Railways.

G. G. SIM,
Financial Commissioner.

B —Railway Reserve Fund.

	Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.		Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	...	...	...	4,09,65,264	Appropriation from Reserve Fund.	...	...	...	...
Appropriation to Reserve Fund.	...	...	4,09,65,264	3,28,43,264	Closing Balance.	...	...	4,09,65,264	7,38,08,528
TOTAL	...	...	4,09,65,264	7,38,08,528	TOTAL	...	...	4,09,65,264	7,38,08,528

J. M. HARTLEY,
Accountant General, Railways.

G. G. SIM,
Financial Commissioner.

Speech by the Hon'ble Mr. C. D. M. Hindley, Chief Commissioner for Railways, in presenting the Railway Budget for 1925-26 in the Council of State.

THE HONOURABLE MR. C. D. M. HINDLEY (Chief Commissioner for Railways): I rise to present a statement of the estimated revenue and expenditure of the Governor General in Council for the year 1925-26 in respect of Railways. At the conclusion of my remarks copies of the statement and other connected papers will be circulated to all Honourable Members of this House, together with copies of the speech which the Honourable Railway Member is now making in the other House.

I am deeply sensible of the honour of presenting to this Honourable House the Railway Budget, because this is the first occasion on which this Budget has been dealt with separately from the general budget, and is, therefore, an outstanding event of historical importance to the railways of India. Following the convention agreed to last September by the Legislative Assembly—a convention which we are justified in considering as the new charter of Indian Railways—the finance of the railways are now separated from the general finances of the country. Amongst the many advantages of this change is that of affording the Legislature a better opportunity of dealing with railway policy and the problems of railway administration on their own merits and not as an adjunct to the many other important problems, both political and economic, which arise out of the general budget for the year.

The presentation of the railway budget on a separate occasion and in advance of the general budget is rendered possible by the fact that under the convention the effect of the returns from railways on the general revenues is a known and ascertained fact and is based on the results of a previous year. Consequently the Railway Budget can be prepared—and for the first time in history has been so prepared—with regard to the facts of the railway business itself, and is not dependent either in its details or its scope on the proceeds of general taxation or the rate of expenditure on other Government activities. What this measure of independence will ultimately mean in affording freedom to the Railway Board and the railway administrations to deal with the business of the railways on sound commercial principles and with due forethought and consideration for the transportation needs of the country can hardly be foreseen. This much is at least certain that funds for ensuring efficiency, for introducing improvements, and for further development will solely depend on the ability of the railway property as a whole to pay its way as a commercial concern. To secure the profit which is necessary in order that railways may meet from year to year the heavy obligation contained in the convention of paying a contribution equal to 1 per cent. on the capital at charge *plus* $\frac{1}{5}$th of the surplus profits, it is necessary for the Railway Board and the Agents not only to encourage traffic and to keep a watchful eye on expenditure but also to so order the improvement and development programmes that expenditure incurred is remunerative to the required degree. The obligation is, therefore, an impelling factor of a constructive nature, the effect of which runs through the whole of our activities and organisation, and the budget which is now being presented may well be looked at as an index of those activities during the current and coming years.

The memorandum which accompanies the budget gives, as clearly as possible, the main features of the finances of the railways, the revised estimates for the current year and the estimates for next year, while the numerous statements, annexures and appendices, and, in particular, the information given regarding the individual budgets of the important railway administrations gives all the details necessary for a close study of the whole situation. I may explain in passing that the form into which we have put the budget this year has been approved of by the Standing Finance Committee for Railways, and that for convenience of discussion in the Legislative Assembly the demand has been split up into 15 separate votes, each of which refers to some special activity or group of activities.

Revised Estimate, 1924-25.

I propose to deal briefly with the main figures of the estimates and will mention first the revised estimates for the current year. We now estimate our gross receipts for the year at 98·01 crores which is nearly 5 crores better than our gross receipts for last year and 2½ crores better than our budget estimate prepared last March. This excellent result may be ascribed partly to good crops and improving trade but to some extent also to improved handling capacity of our railways resulting from expenditure incurred in recent years and better methods of working. Had it not been for the floods in north and south India, the figures for gross earnings would have been better still. On the expenditure side we estimate that our total charges will be 86·77 crores or, excluding interest charges, surplus profits to Indian States and Company railways and miscellaneous charges 62 crores against 59·16 crores last year. Actually our expenditure this year would have amounted to 63·25 crores, but for a windfall of 1¼ crores in the shape of customs duties paid by companies' railways which under the recent Privy Council decision must be refunded. For a proper comparison with the figure of 59·16 crores of the previous year we should, however, make a further adjustment of 195 lakhs, for in the current year we charge to Revenue the gross appropriation of 10 crores to the depreciation fund and not only the estimated actual expenditure from the fund for renewals which stands at 8·05 crores.

The correct figure for comparison is, therefore, 61·30 crores which is the cost of earning 98 crores. Last year we spent 59·16 crores in order to earn 93·18 crores, and we have, therefore, earned nearly 5 crores more by spending an additional 214 lakhs. The net gain accordingly from commercial lines arising from the gross earnings of 98 crores obtained by a total expenditure of 86·77 lakhs is 11·25 crores.

I will now deal with the disposal of this sum. Under the terms of the convention the contribution is to be equal to 1 per cent. of the capital at charge in 1923-24 *plus* ⅕th of the surplus profits in that year. On this basis the amount of the contribution to be paid from the net gain of the current year will be 630 lakhs odd. Against this we have to set off the loss on the working of strategic lines which under the convention is a liability of the general finances, and amounted in 1923-24 to 121 lakhs making the net payment to general revenues 509½ lakhs.

From the net gain of 11·25 lakhs during the current year has to be deducted the estimated loss on strategic lines which this year is 151 lakhs leaving 974 lakhs available, and after deducting 509½ lakhs the balance available for disposal is 465 lakhs. The convention, however, stipulates that if after the payment of the contribution the amount available for transfer to Railway reserves should exceed 3 crores, ⅓rd of the

excess over 3 crores should be paid to the general finances. The excess over 3 crores is 165 lakhs and ⅓rd of this or 55 lakhs must be added to the contribution leaving 410 lakhs to go to Railway reserves. The general revenues therefore get a net payment of 564 lakhs and the railway reserve fund 410 lakhs.

To summarise the position the estimates for the current year show that, after meeting all interest and other charges and providing funds for the loss on strategic lines, railways will be able to contribute 564 lakhs to general revenues, to accumulate 210 lakhs in the depreciation fund, and to place 410 lakhs to reserves.

Budget Estimate, 1925-26.

In the budget estimate for 1925-26 the gross receipts are placed at 101 crores or 3 crores in excess of the current year, the expenditure at 91 crores. Of the latter figure working expenses are estimated at 65·79 crores or 2½ crores more than the current year, while interest charges will be 82 lakhs higher. Amongst the expenditure which contributes to this excess I may mention that we hope to make a beginning on the work preparatory to the provision of automatic couplers on all our stock, for which 70 lakhs is allotted. We are setting aside 50 lakhs for speeding up repairs to rolling stock and 50 lakhs for meeting the cost of measures we are now taking to get rid of surplus and unserviceable stores. We have also thought it prudent to provide 26 lakhs for the cost of extending to officers on Companies' Railways the Lee Commission concessions regarding which a decision has not yet been arrived at. With these figures for gross earnings and working expenditure the net contribution to general revenues for the coming year will work out to 524 lakhs, or 40 lakhs less than the contribution in the current year. This is accounted for by the unexpected increase in the net receipts of the current year by 125 lakhs due to the refund of customs duty. The gross contribution to general revenues is estimated at 645 lakhs and we expect to put into our railway reserves 328 lakhs. We are making no proposals for any appropriation from these reserves. The figures quoted are only anticipations and have yet to be realised. They in fact depend largely on next monsoon and the state of trade. Moreover, we have to bear in mind that in 1926-27 we have to meet a contribution to the general revenues based on the result of the current year's working, which is estimated at 735 lakhs. If in that year there should be a set-back in railway working and we were unlucky enough to make no profits, the whole of our reserves might be absorbed in paying the contribution for one year.

Capital expenditure, 1924-25.

The net capital outlay in 1924-25 is now estimated at Rs. 12·85 crores. But the total capital expenditure is expected to be considerably greater since the outlay is reduced to the extent of 155 lakhs by the refund of customs duty, and a reduction of 4 crores is also expected in the capital value of our stores balance. The estimated total capital expenditure is, therefore, 18·4 crores—a figure approximating to the expenditure of last year. Most of the causes for the failure to spend the sanctioned grant of 30 crores are explained in the Report on Indian Railways for the year 1923-24 and these causes continued to operate well into the current year.

Capital expenditure, 1925-26.

We hope, however, that the efforts which have already been made to increase progress on approved works will bear fruit in the coming year,

and in fact the various railway administrations estimate that they will be able to spend 32 crores in that year. For the purposes of the budget, however, in view of the heavy lapses in the capital grant of previous years, we do not feel justified in asking for the actual provision of more than 23 crores, an increase of about 30 per cent. over the current year's spending.

Of this 32 crores 8½ is for new construction and 23½ for open line improvements and additions.

Open line works.

The provision for open line works represents in concrete form the efforts which the Railway Board and the railway administrations are making towards the steady improvement of India's railways. The details of all the works which are now in progress or are to be undertaken will be found in the Budget Memorandum and in greater detail in the books which have been specially prepared for each railway. It would perhaps be difficult for Honourable Members by studying these books to get a clear conception of the magnitude of the efforts being made or of the underlying scientific principles on which the programmes are built up. I would, however, emphasise the fact that prior to the separation of finances, under the old system where expenditure year by year had to be regulated by considerations dependent on the general budget of the country, such an effort would have been impossible. Our predecessors in fact had no opportunity of laying down a definite programme of improvements and developments nor any hope of seeing such a programme steadily pursued. The success of such an effort depends on continuity of policy and the prospect of continuous supply of the necessary funds for the undisturbed completion of each portion of the programme.

This prospect has now been assured to us by the terms of the Convention under which the railway property of the State can build up a strong financial position based on adequate reserves and which accordingly gives us and the railway administrations an entirely new outlook on the whole problem before us. The reason why an assurance of the continuity of regular financial provision is essential to success is that the various parts of the programme must be so carefully co-ordinated and so dependent upon one another, that failure to complete one portion means incurring unremunerative and wasteful expenditure on another portion. Honourable Members who have had time to look into the Railway Board's Report for the year 1923-24 will perhaps have seen that we have there explained very fully the methods we have adopted for dealing with new works on open lines. The whole subject is closely connected with the more modern and scientific methods of dealing with transportation problems which are now being introduced on all railways. A correct appreciation of the costs of numerous parts of the business of handling traffic such as can only be derived from properly arranged statistics leads directly to improvements in methods and the provision of better and more capable equipment. To take a concrete example our new working statistics amongst many other advantages which they afford to operating officers and the management, show comparative costs of handling wagons in different large marshalling yards. Not only do these comparisons lead to improved and quicker working in these yards but improvements are devised in layout and subsidiary equipment which require expenditure of considerable sums. In such a case if it is possible to show that the expenditure will result in a reduction in working expenses, the expenditure is sanctioned and forms a part of the programme. But in the consideration of such a proposal it is necessary first to ensure that

the marshalling yard is itself in the right locality having regard to the flow of traffic and that the work it does is properly co-ordinated with that of other marshalling yards. And here the problem becomes a larger one involving a careful review of the capacity of the different sections leading to and from this yard and to other yards. The capacity of a section depends on the speed and weight of the trains which can be run over it, and our statistics again give us the necessary assistance in showing us the facts as they are and the facts as they should be. The strength of bridges, the strength of the permanent-way, the power and weight of locomotives in use, the gross weight and carrying capacity of the wagons all come into play and are factors which have to be co-ordinated in building up a programme of improvements. This co-ordination of the various factors is a matter which requires experience of working conditions and knowledge of the equipment besides the practical application of business methods, and it indicates the necessity for a well organised expert staff.

But such a co-ordinated programme of improvement and its consequent expenditure can only be considered as a suitable object for investing new capital if the interest on the additional capital is likely to be forthcoming from the increase in net revenue which will result, either through increased earnings or from reduced operating costs. This in fact is the criterion which we apply to all proposals for improvements, and it is in this respect again that the convention regarding the separation of finances is proving itself to be a live constructive force which will lead to improvements to railways which were altogether beyond the horizon of our predecessors.

The convention in fact not only gives us the promise of continuity in our efforts towards improvement, but gives us a criterion or index to the soundness of our proposals. If a railway administration can clearly demonstrate that such and such improvement will result in a gain to net revenues sufficient to meet the obligation rising out of the additional capital expenditure, we have no hesitation in giving our consent to the work being carried out in the certain knowledge that funds will be available. If now I give a few of the more important of the works covered by the present programme, the Council will no doubt understand that although they represent individual and concrete schemes they are part of properly co-ordinated programmes on separate railway administrations and that the programme as a whole represents a fully co-ordinated scheme of improvement which is being carried on as a continuous process and has as its objective cheapness and efficiency of transportation throughout India.

Rolling Stock.

So far as rolling stock is concerned, we are providing (in terms of four-wheelers, *i.e.*, counting a bogie vehicle as 2 four-wheelers) 3,857 new goods wagons and 822 new coaching vehicles of which 755 are for lower class passengers.

As regards wagons, judged by former standards the number would be inadequate to the increase in traffic we expect, but I must mention that improved operating has already begun to produce results and our existing stock is now doing more work of a profitable nature than formerly. The figures for coaching stock are lower than we should like to see, but here we are limited to some extent by the capacity of our workshops. We are now re-examining this matter and we hope that it may be possible without interfering with the repairs and overhaul of existing stock which are still seriously in arrears to undertake some further building of additional stock. We are as anxious as any one else can be

to see an adequate supply of coaching stock which alone will enable us to give passengers better train services and avoid overcrowding.

Apart from the provision for additions and betterments to lower class stock which will cost nearly 1½ crores and the many other works which will carry with them improvements in the standard of travel of all classes we are making special provision of 30 lakhs for amenities for 3rd class passengers, such as waiting sheds, refreshment rooms, booking facilities, water supply, and so on.

Improving capacity of yards and lines.

Amongst many other improvements included in the programme we are spending about 3 crores on remodelling and improving 18 important station yards which will result in improved services and quicker handling of wagons and coaching stock. In many of these cases improvements are long overdue and are essential if we are to make the best use of our rolling stock and remove the primary causes of wagon shortage for public traffic. Honourable Members will, no doubt, appreciate the close connection of this class of expenditure with the amount required for additional rolling stock. In the same category we place the various schemes for doubling and improving sections of the line at present being worked to the limit of their capacity, amongst which I may mention doubling certain sections of the Bengal Nagpur Railway for which we have provided 58 lakhs, the doubling of the Grand Chord of the East Indian Railway for which the provision of 38 lakhs has been made, the quadrupling of certain sections of the Bombay, Baroda and Central India Railway near Bombay on which 34 lakhs are to be spent, the rebuilding of the Bassein Bridge on the same railway, the conversion of the Parbatipur Siliguri section to broad gauge on which nearly 40 lakhs will be spent and many other equally important schemes.

Workshops.

Closely connected also with the problem of improved services is the necessity for improving and modernising our workshop facilities. There is no more potent cause in hampering the quick movement of traffic and adequate supplies of rolling stock than insufficient accommodation and equipment for repairs to stock.

The railway administrations are attacking this problem boldly and are taking advantage of the immense advances that have been made in the last few years in workshop practice and workshop organisation. In this connection I should like to quote what the President of one of America's great railways recently said in regard to workshop equipment:

> "Perhaps the point in which railroad facilities are the weakest is the machine tool equipment of the repair shops. The development of machine tools received a great impetus from the war and from the growth of a new industry. During the last 15 years we have had the Great War and the development of the automobile business. The effect has been to revolutionise machine tools and to render obsolete a large part of the machine tool equipment".

That is a saying which if it applies to America applies with even greater force to India, for we have had the added disadvantage of want of close contact with these factors and also the want of funds with which

to make improvements. I have in the course of the last 18 months visited most of our large workshops and have been greatly impressed with the signs of the beginning of the revolution in workshop methods which I have referred in the quotation. I will give two instances of what I mean. The wheels of locomotives and rolling stock require to be brought into the shops at intervals to be turned in a lathe in order to correct inequality of wear on the tread. Most of the machines of old pattern in use till recently took as long as 7 or 8 hours to deal with one pair of wheels. The modern machine can do the work in 2½ hours. The savings resulting from installing such a machine are not confined to reduction in labour costs, but also arise from the shorter time during which wheels are out of running and the consequent reduction in the number of spare stock required. As another instance, the outturn from a locomotive repair shop depends on the number of pits or places where locomotives stand during repairs and on the time taken to repair a locomotive. Formerly it was possible to deal with 4 engines per pit per year and with a 50 pit shop to overhaul 200 locomotives per year.

The time taken for repairs depends on the output of the subsidiary shops and the organisation for bringing the repaired material to the spot. If we can increase the output to 5 engines per pit per shop, we increase the turn over in the 50 pit shop from 200 to 250 per annum, which means an effective addition of 50 engines to the available stock.

When I explain that workshops are now aiming at a figure of 6 engines per pit per annum, and that in some cases we hope that this figure will be exceeded, it will be seen that heavy expenditure on improving workshop facilities is fully justified. I have given the outlines of the problem, but in the Budget Memorandum will be found more detail in regard to certain of the more important schemes, and it will suffice if I say that we are proposing to spend in the coming year a sum of about 3 crores on this very necessary improvement.

Electrification.

Perhaps one of the most important incidents during the past year has been the opening of the Harbour Branch extension in Bombay and the new electric train service on that branch. His Excellency the Governor of Bombay performed the opening ceremony on the 3rd of this month, and in his speech fully recognised the value of such a service to Bombay and the neighbourhood, and welcomed the prospect of further electric suburban services in the near future. I was glad to be able to take the opportunity as representing the Government of India to give Bombay an assurance of co-operation with the Local Government's efforts to make the development scheme a success by providing rapid transit suburban services as the development proceeds. But this incident had wider significance than the mere provision of a new route and a new service in one Presidency-town. It is the first practical example of electric railway traction in this country and holds the promise of further great developments in the handling of traffic. Already we are contemplating substituting electric traction on the main line of the Great Indian Peninsula Railway as far as Igatpuri and Poona, and if this is effected we are confident that we shall secure not only great economies, but also much better service to the public. We are also re-examining the problem of suburban traffic in Calcutta and we expect to be able to elaborate a scheme whereby that city can be relieved from some of its present traffic difficulties and be given an adequate rapid transit electric service

between the city and its suburbs. I cannot refrain from remarking that the delay in providing an adequate permanent bridge across the Hooghly in the neighbourhood of Howrah, which delay seems likely to continue for many years unless the citizens of Calcutta wake up to a sense of their responsibilities, is having a serious effect on the whole problem of handling railway traffic into and out of the city. If we are to contemplate a further prolonged delay we must attempt a complete revision of our terminal arrangements, and we are about to make a serious practical examination of this large problem with the object of securing to the public the best facilities for terminal traffic which the various routes into and out of Calcutta enable us to make. The somewhat similar problem regarding Bombay terminal facilities both for passengers and goods, arising out of the development of the city will also be made the subject of a special investigation in the near future.

Standardisation.

Amongst the many activities of the Railway Board and the railway administrations which are moving in the direction of improvement of transportation, I may mention a few of the more important. We have adopted both in regard to locomotives and rolling stock the policy of progressive standardisation as a continuous process. Standardisation is sometimes stigmatised as stagnation, and indeed unless it is accompanied by a continuous intelligent effort towards improvement this description is well deserved. Standard locomotives, standard wagons and standard coaching underframes are not new in this country, and the advantages of such standards are well understood. Complete standardisation assists in getting lower prices by facilitating pooling of orders and reduces expenditure in upkeep and in stocking of spare parts. Railways in India have to a large extent adopted standard equipment, but much remains to be done, and we were recently in danger of seeing our standards becoming out of date.

As fully explained in our report for last year we have taken steps to provide that our standards will in the future be capable of absorbing improvements based on modern experience and thus provide for progress. We have constituted permanent technical committees on standardisation for locomotives and rolling stock, and these committees after revising our standards will in future be available from time to time to deal with suggestions and the results of working experience as applied to the standard designs. During the last few weeks we have had the advantage of the able assistance of Sir Seymour Tritton, one of our Consulting Engineers, who is a recognised specialist in locomotive and rolling stock design and who has been able to work with our committees in the revisions they are now making. I am confident that in adopting this policy of progressive standardisation and arranging for it being carried into effect, we have made an advance which will prove to be of incalculable benefit to Indian railways in the future.

We have also constituted a Committee on somewhat the same lines for dealing with standards for permanent-way, points and crossings, etc., and shall shortly appoint a further committee to take up the problem of Bridge design, continuing the work which was begun by the former Bridge Committee and bringing into practical shape much of the important experimental and other information already collected by that Committee.

Automatic couplers.

Another matter of great technical importance and which has a great effect on the capacity of railways to handle increasingly heavy traffic is the provision of automatic couplers in place of the present spring buffers and screw couplings. Not only do these automatic couplers reduce the risk of accident to those engaged in shunting, but they will also enable time to be saved in marshalling and considerably reduce maintenance costs. They will also reduce the first cost of wagons and enable us to look forward to even larger capacity stock than our present screw couplings enable us to contemplate. The widening of running dimensions which is now in progress wherever new works or improvements are being undertaken makes larger stock possible and such larger stock much be provided with the more powerful draw gear which the automatic coupler device alone can provide. In this connection I may mention that the coaches now running on the new Harbour Branch service in Bombay are 12 feet wide or 2 feet wider than any other coaching stock in this country or in the world. The change to automatic couplers, however, is fraught with many difficulties, for we must so arrange matters that during the transition period there is no interruption to the free flow of wagons. To effect this we have to obtain a satisfactory transition device and experiments are now being made to this end. The operation of changing over will take about 5 years, of which 2 years will be spent in preparation that is the establishment of conversion workshops in suitable places and the collection of material. We hope to make a start in the coming year and have provided 70 lakhs in the budget for this purpose.

New Construction.

I now turn to the construction programme. We are providing 8½ crores in the coming year and the projects to which this expenditure has reference are fully described in the Budget Memorandum.

We are aiming at a systematic examination of the possibilities of development in each of the areas served by our railway systems. We are confident that the extension of the benefits of railway transportation to every part of India, where population and trade are sufficient to warrant it, is one of the greatest needs of the country, and we have already made a beginning in putting together comprehensive schemes for the construction of new railways in each large area based on the needs of the area and the possibilities of obtaining paying traffic. Our programme already includes 40 new projects with an aggregate mileage of 2,138 miles and which will eventually cost more than 40 crores of rupees. This bold programme is justified by the fact that not only have we satisfied ourselves, in many cases after personal examination by the members of the Board that the new lines are needed, but the financial prospects of each project have been very carefully examined with the aid of all the information it is possible to obtain.

I may briefly mention some of the large areas in which we have laid down the outlines of a general scheme to be gradually worked to as staff and equipment can be organised and reliable estimates prepared. In South India where for many years the controversies regarding gauge and the paucity of funds have delayed development we have settled the outstanding questions about gauge and have laid down a complete programme for the construction of new important lines and branches. I need only mention the Villupuram Trichinopoly, the Trichnopoly, Karaikudi

Manamadura, the Virudupatti Tenkasi and the Dindigal Pollachi line amongst others.

Then as regards Burma, during my recent visit I was able to settle with the Agent and to discuss with the Local Government the outlines of the future development in the Province, and we hope that work will now proceed on a well ordered programme over a series of years. In all the parts of India I have visited I feel safe in saying that there are no areas which afford great promise of successful railway development to the advantage alike of the public and of railway finances than Burma and South India.

Another large area to be given railway facilities in the early future is the country in the Central Provinces and Bihar and Orissa lying between the East Indian and Bengal Nagpur main lines. Here the Central Indian Coalfields Railway is making rapid progress and will not only give access to new coal deposits, but will provide a stimulus to local trade and industry which is much needed.

And lastly, I may mention the proposed new line from Raipur to Vizianagaram which is closely connected with the development of the port of Vizagapatam, and will open up country at present entirely devoid of communications and will also assist in future mineral development. It is hoped that sanction will shortly be given to commence this line.

New policy in regard to Branch and Feeder Railways.

What I have just said about our proposals for new construction leads on to a reference to the new policy which we have formulated, in consultation with the Central Advisory Council, in regard to Branch and Feeder Lines. The House is no doubt aware that 30 years ago when the Government of India themselves were in difficulties for money for new capital expenditure, a system was originated of financing the construction of Branch and Feeder Lines through Branch Line Companies *guaranteed* by Government. For the encouragement of such Companies, Government were prepared to give certain terms to private Companies for money required for the construction of Feeder lines. This system undoubtedly enabled lines to be built which otherwise would not have been built, but in other respects it came in for severe criticism from the Acworth Committee which indeed thought that the aim should be rather to reduce the number of existing private Companies than to create new ones. We have recently had the whole subject under our consideration. The existing Branch Line terms are quite out of date. If they are to serve the purpose for which they were originally intended, we should have to revise them on much more liberal lines, and with the approval of the Central Advisory Council we do not propose to undertake the revision. We think that the more economical and better course is for us to construct ourselves remunerative new lines. I do not think that there need be any fear that this policy will lead to a slowing down of new construction. In the Railway Board we have new projects under constant examination, and the capital expenditure on the new projects included in Demand No. 7 is four times as great as all the capital raised in the last 30 years by Branch Line Companies. Nor do we propose to neglect projects which though they cannot be classed as remunerative may be required by Local Governments for administrative or other reasons. We are quite prepared to consider any such project, provided that the Local Government is prepared to guarantee it from provincial revenues. Local Governments thoroughly approve of this new policy, and we are already constructing the Shoranur-Nilambur line on the basis of a guarantee

from the Government of Madras and another in Burma—the Moulmein-Ye line—now approaching completion, and other projects are under examination.

Training of Staff.

From the above survey of the activities of the railways both in improvement and development it will be apparent that the conduct of the railway business of the country will require in an increasing measure the services of a well trained and experienced staff possessed of technical knowledge and working ability. In fact the future success of railways in this country is bound up with the standard reached by railway staff of all grades in the performance of their duties. This is a matter which has given the Railway Board much anxious consideration, and we are now elaborating proposals for training railway staff in their current duties with a view to improving their efficiency and giving them the opportunity of rising to higher positions. This is a task which railways in other countries have not had to undertake, and although spasmodic efforts have been made in some countries to introduce improved and co-ordinated schemes of training, so far as I am aware no comprehensive scheme of training such as we are now contemplating has been put into force in any other country.

Briefly, we are aiming at having on each of the State-managed railways a school at which all subordinate staff will receive courses of practical and theoretical training in their current duties of working trains. One such school is already in existence at Asansol and is equipped with models and instructing staff for the purpose. A very large number of the staff have already received instruction there. We hope eventually to have another such school on the Great Indian Peninsula Railway and possibly one on the North-Western Railway. At the moment we are opening a school at Chandausi which will deal in the same way with the subordinate staff of the Oudh and Rohilkhand Railway and North-Western Railway. It has been equipped with up-to-date models and appliances for teaching train working and with staff for instruction in transportation and other allied problems. Work will be commenced there on the 1st March when the first batch of staff will commence their instruction.

This school at Chandausi is, however, to have wider functions than the local schools on each railway. It will be the central school for the co-ordination of the work of the other schools and will also give course of training and refresher courses for officers of State railways and to some extent of Companies railways also. In addition it will take charge of the training of young probationary Traffic Officers whose practical training on the railways will be supplemented by courses of study at this school. The importance of giving these young officers a thorough grounding in the subject of transportation to enable them to make the best use of their time while under training is fully recognised, and we look for good results from this scheme.

As I have said we attach the greatest importance to the proper training of our staff in all branches and believe that only by carefully co-ordinated schemes of this nature we can ensure that our railway work with its manifold and complex problems can be properly handled in the future. The business of transportation and all that it carries with it on the technical side is becoming more and more complex as time goes on, and it will be difficult to keep up with modern developments unless our staff are better equipped in knowledge and experience than they are at present.

Organisation and decentralisation.

Another aspect of the matter of railway management which arises out of the growing complexity of the problems of moving traffic is the necessity for improving our organisation for administrative and executive work. I will not enter into details of the changes which we have made and are making in the internal organisation on State-managed railways, but would only indicate that as with the case of the organisation of the Railway Board our object is to achieve such measure of decentralization as is compatible with the preservation of responsibility. Both the Acworth and the Inchcape Committees urged us to decentralize power and responsibility to the Agents of the railways and thus enable them to carry on their work with freedom from interference from headquarters. This policy we are steadily pursuing and have already made considerable delegation of power over and above the powers delegated previously. As far as possible all the details of management must be left to the Agents. It is only in this way that we can hope to be free to deal with the larger problems of financial and technical importance associated with the conduct of this huge business.

If we fail in our task of maintaining the railways on a solvent footing while developing and improving them to the utmost extent possible, it will be because we are forced to deal with details at headquarters. So long as we can relegate the details to the Agents we have a good chance of successfully solving the larger problems. The magnitude of the task needs no exaggeration. It is perhaps some excuse for the length of time I have taken in dealing with the budget and I must apologise to the House if I have perhaps strayed somewhat from the strictly financial character of the contents of the papers which are now to be circulated.

Schedule of demands for grants for expenditure of the Central Government on Railways for the year 1925-26 submitted for the vote of the Legislative Assembly.

Number of Demand.	Service to which demand relates.	Amount.
		Rs.
	A.—Expenditure from Revenue.	
	Commercial Lines—	
1	Railway Board	9,86,000
2	Inspection	1,14,000
3	Audit	6,16,000
4	Working Expenses: Administration	12,31,00,000
5	Working Expenses: Repairs and Maintenance and Operations.	42,61,47,000
6	Companies' and Indian States' share of surplus profits and net earnings	1,33,50,000
9	Appropriation to Depreciation Fund	10,73,25,000
10	Appropriation from Depreciation Fund	9,50,00,000
11	Miscellaneous	6,65,000
12	Appropriation to the Reserve Fund	3,28,43,000
13	Appropriation from the Reserve Fund	...
14	*Strategic Lines*	1,82,00,000
	B.—Expenditure charged to Capital.	
	Commercial Lines—	
7	New Construction	6,46,70,000
8	Open Line works	16,20,65,000
15	*Strategic Lines*	28,20,000

NOTE.—As regards the demands refused by the Assembly, see paragraph 2 of Government of India, Finance Department, Resolution No. 3510-F., dated the 28th March 1925 (pages 191 and 192 of this volume).

Budget*

of the

Railway Revenue and Expenditure of the Government of India,

March 1925

ACCOUNTS	1923-24
REVISED ESTIMATES	1924-25
BUDGET ESTIMATES	1925-26

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* Published with Government of India, Finance Department Resolution, No. 3510-F., dated the 28th March 1925 (pages 191 and 192 of this volume).

1.—Statement of the Revenue of the Central

HEADS OF REVENUE.	Accounts, 1923-24.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XI.—State Railways—						
(a) Commercial lines—						
Gross receipts—						
Passenger traffic earnings.	40,35,49,000	...	...	40,35,49,000	35,55,00,000	...
Other coaching traffic earnings.					5,79,00,000	...
Goods traffic earnings .	56,73,28,000	...	...	56,73,28,000	61,02,00,000	...
Sundry earnings . .	2,67,84,269	4,82,827	2,21,211	2,74,88,307	2,60,00,000	4,83,000
Total earnings .	99,76,61,269	4,82,827	2,21,211	99,83,65,307	1,04,36,00,000	4,83,000
Deduct—Earnings of worked lines.	6,87,50,000	...	...	6,87,50,000	7,31,00,000	...
Earnings of State Railways.	92,89,11,269	4,82,827	2,21,211	92,96,15,307	97,65,00,000	4,83,000
Suspense . . .	—1,78,113	...	...	—1,78,113	...	...
Gross receipts of State Railways.	92,87,33,156	4,82,827	2,21,211	92,94,37,194	97,65,00,000	4,83,000
Deduct—Working expenses of State Railways.*	59,15,60,185	...	...	59,15,60,185	61,96,14,000	3,36,000
Surplus profits paid to Indian States and railway companies.	1,14,46,008	...	...	1,14,46,008	1,49,00,000	...
Net receipts . . .	32,57,26,963	4,82,827	2,21,211	32,64,31,001	34,19,86,000	1,47,000
(b) Strategic lines—						
Gross receipts . .	1,71,15,149	...	...	1,71,15,149	1,85,00,000	...
Deduct—Working expenses	1,89,67,892	...	...	1,89,67,892	2,17,00,000	...
Net receipts . . .	—18,52,743	...	...	—18,52,743	—32,00,000	...
Total net receipts, Commercial and Strategic lines.	32,38,74,220	4,82,827	2,21,211	32,45,78,258	33,87,86,000	1,47,000
Interest on Depreciation and Reserve Funds.	...	...	...	...	...	...
XII.—Subsidized Companies: Government share of surplus profits. .	5,35,320	12,26,389	6,02,426	23,64,135	3,95,000	18,63,000
Total receipts .	32,44,09,540	17,09,216	8,23,637	32,69,42,393	33,91,81,000	20,10,000

* For details see statement 1(*a*).

J. M. HARTLEY,
Accountant General, Railways.

Delhi,
Railway Department;
The 28th March 1925.

Government from railways in India and England.

1924-25.		Increase (+) Decrease (−) as compared with the Budget Estimate, 1924-25.	Budget Estimate, 1925-26.				Increase (+) Decrease (−) as compared with the Revised Estimate, 1924-25.
Exchange.	Total.		India.	England.	Exchange.	Total.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	35,55,00,000	−21,01,000	36,50,00,000	...	...	36,50,00,000	+95,00,000
...	5,79,00,000		5,81,00,000	...	...	5,81,00,000	+2,00,000
...	61,02,00,000	+3,42,66,000	63,00,00,000	...	...	63,00,00,000	+1,98,00,000
1,79,000	2,66,62,000	−19,43,000	2,73,00,000	4,83,000	1,61,000	2,79,44,000	+12,82,000
1,79,000	1,05,02,62,000	+3,02,22,000	1,08,04,00,000	4,83,000	1,61,000	1,08,10,44,000	+3,07,82,000
...	7,31,00,000	+39,32,000	7,39,00,000	...	...	7,39,00,000	+8,00,000
1,79,000	97,71,62,000	+2,62,90,000	1,00,65,00,000	4,83,000	1,61,000	1,00,71,44,000	+2,99,82,000
...	...	...	...	...	...	...	...
1,79,000	97,71,62,000	+2,62,90,000	1,00,65,00,000	4,83,000	1,61,000	1,00,71,44,000	+2,99,82,000
1,25,000	62,00,75,000	−2,17,27,000	65,22,53,000	42,63,000	14,21,000	65,79,37,000	+3,78,62,000
...	1,49,00,000	+34,13,000	1,33,50,000	..	...	1,33,50,000	−15,50,000
54,000	34,21,87,000	+4,46,04,000	34,08,97,000	−37,80,000	−12,60,000	33,58,57,000	−63,30,000
...	1,85,00,000	−13,20,000	1,85,00,000	...	...	1,85,00,000	...
...	2,17,00,000	−8,02,000	2,17,25,000	...	...	2,17,25,000	+25,000
...	−32,00,000	−5,18,000	−32,25,000	...	...	−32,25,000	−25,000
54,000	33,89,87,000	+4,40,86,000	33,76,72,000	−37,80,000	−12,60,000	33,26,32,000	−63,55,000
...	...	...	32,35,000	...	...	32,35,000	+32,35,000
6,92,000	29,50,000	+3,58,000	4,57,000	19,65,000	6,55,000	30,77,000	+1,27,000
7,46,000	34,19,37,000	4,44,44,000	34,13,64,000	−18,15,000	−6,05,000	33,89,44,000	−29,93,000

G. G. SIM,
Financial Commissioner.

1(*a*).—Statement of Working Expenses of State

	Accounts, 1923-24.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Administration	11,96,58,000	...	...	11,96,58,000	12,31,39,000	3,36,000
Provision for probable supplementary grants.	...	...	...	...	...	...
Repairs and maintenance	16,97,47,000	...	...	16,97,47,000	17,56,00,000	...
Operation	26,67,81,588	...	...	26,67,81,588	26,03,25,000	...
Provision for probable supplementary grants.	...	...	...	...	...	...
Depreciation	7,24,49,000	...	...	(a) 7,24,49,000	10,00,00,000	...
Suspense	—19,22,403	...	...	—19,22,403	—24,50,000	...
Total	62,67,13,185	...	...	62,67,13,185	65,66,14,000	3,36,000
Deduct—Share of Worked Lines.	3,51,53,000	...	...	3,51,53,000	3,70,00,000	...
Working Expenses	59,15,60,185	...	...	59,15,60,185	61,96,14,000	3,36,000

(*a*) This figure represents the expenditure incurred on Programme Revenue during 1923-24.

J. M. HARTLEY,
Accountant General, Railways.

Delhi;
Railway Department;
The 28th March 1925.

Railways—Commercial Lines.

1924-25.		Increase (+) Decrease (—) as compared with Budget, 1924-25.	Budget Estimate, 1925-26.				Increase (+) Decrease (—) as compared with Revised, 1924-25.
Exchange.	Total.		India.	England.	Exchange.	Total.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,25,000	12,36,00,000	...	11,83,16,000	42,63,000	14,21,000	12,40,00,000	+43,00,000
...	...	...	39,00,000	...	...	39,00,000	
...	17,56,00,000	...	18,75,00,000	...	...	18,75,00,000	+1,19,00,000
...	26,03,25,000	...	27,04,87,000	...	...	27,04,87,000	+1,36,62,000
...	...	...	35,00,000	...	...	35,00,000	
...	10,00,00,000	...	10,38,00,000	...	...	10,38,00,000	+38,00,000
...	—24,50,000	...	15,50,000	...	...	15,50,000	+40,00,000
1,25,000	65,70,75,000	—2,03,05,000	68,90,53,000	42,63,000	14,21,000	69,47,37,000	+3,76,62,000
...	3,70,00,000	+14,22,000	3,68,00,000	...	...	3,68,00,000	—2,00,000
1,25,000	62,00,75,000	—2,17,27,000	65,22,53,000	42,63,000	14,21,000	65,79,37,000	+3,78,62,000

G. G. SIM,

Financial Commissioner.

2.—Statement of the expenditure on railways charged to

Head of Expenditure.	Accounts, 1923-24.				Revised Estimate.	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10. State Railways:—						
Interest: commercial lines:						
on Government capital at charge	10,10,76,623	4,34,72,394	2,00,08,722	16,54,52,739	11,39,59,000	4,39,63,000
on capital contributed by Indian States and Companies.	(b) 2,76,344	2,11,38,722	95,79,308	3,09,94,374	(b) 3,09,000	1,02,19,000
interest portion of annuities	...	3,35,75,459	1,54,06,057	(a) 4,89,81,516	...	2,11,76,000
Sinking Funds	..	32,72,056	15,03,283	47,75,339	...	...
Total interest, commercial lines	10,22,52,967	10,14,58,631	4,64,92,370	25,02,03,968	11,42,68,000	8,43,58,000
Interest, strategic lines	1,02,37,398	...	...	1,02,37,398	1,18,58,000	...
Total interest	11,24,90,365	10,14,58,631	4,64,92,370	26,04,41,366	12,61,26,000	8,43,58,000
11. Subsidized Companies: Land and subsidy.	5,40,450	...	...	5,40,450	5,00,000	...
12. Miscellaneous Railway expenditure	—6,19,998	14,77,645	6,81,995	15,39,642	—41,000	16,49,000
Provision for probable supplementary grant.	...	...	...	...	...	...
Deduct—Probable savings	...	...	...	...	..	...
Payments to general revenues—						
Contribution*	...	..	...	...	5,09,52,000	...
One-third of the excess of railway surplus over three crores.	...	...	...	...	54,33,000	...
Total payment to general revenues	..		...	...	5,64,35,000	...
Reserve Fund	...	...	..	...	4,09,65,000	...
Total	11,24,10,817	10,29,36,276	4,71,74,365	26,25,21,458	22,39,85,000	8,60,07,000

* For details see Statement 2 (a).
(a) Includes annuity payments in redemption of capital.
(b) Represents interest on the state share of joint debenture stock.

J. M. HARTLEY,
Accountant General, Railways.

Delhi:
Railway Department,
The 28th March 1925.

the revenue of the Central Government in India and in England.

1924-25.			Budget Estimate, 1925-26.				
Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1924-25.	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1924-25.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,63,29,000	17,42,51,000	—52,49,000	12,43,29,000	7,29,17,000	2,43,05,000	22,15,51,000	+4,73,00,000
71,39,000	2,66,67,000	—13,42,000	(b) 3,20,000	1,22,33,000	40,78,000	1,66,31,000	—1,00,36,000
78,65,000	2,99,41,600	—7,15,000	...	...	...	...	—2,99,41,000
...	...	...	...	...	...	...	...
3,13,33,000	22,99,59,000	—73,06,000	12,46,49,000	8,51,50,000	2,83,83,000	23,81,82,000	+82,23,000
..	1,18,58,000	+12,89,000	1,21,15,000	...	...	1,21,15,000	+2,57,000
3,13,33,000	24,18,17,000	—60,17,000	13,67,64,000	8,51,50,000	2,83,83,000	25,02,97,000	+84,80,000
...	5,00,000	—11,00,000	5,50,000	...	...	5,50,000	+50,000
6,12,000	22,20,000	—25,000	—13,000	21,39,000	7,13,000	28,39,000	+6,22,000
...	...	...	40,000	...	....	40,000	
..	...	...	37,000	...	...	37,000	
..	5,09,52,000	+5,09,52,000	5,09,52,000	...	...	5,09,52,000	...
...	54,83,000	+54,83,000	14,34,000	...	...	14,34,000	—40,49,000
...	5,64,35,000	+5,64,35,000	5,23,86,000	...	...	5,23,86,000	—40,49,000
...	4,09,65,000	+4,09,65,000	3,28,69,000	...	...	3,28,69,000	—80,96,000
3,19,45,000	34,19,37,000	+9,02,58,000	22,25,59,000	8,72,89,000	2,90,96,000	33,89,44,000	—29,93,000

G. G. SIM,
Financial Commissioner.

2 (*a*).—Contribution from railway to general revenues, 1924-25 and 1925-26.

(Based on actuals, 1923-24.)

	Rs.	Rs.
1. 1 per cent. on capital of 5,40,42,52,040 at charge, commercial lines	...	5,40,42,520
2. (i) Receipts—		
Gross traffic receipts, commercial lines	92,94,37,194	
Subsidised Companies, share of surplus profits	23,64,135	
		93,18,01,329
(ii) Charges—		
Working expenses, commercial lines	59,15,60,185	
Indian States and Railway Companies' share of surplus profits	1,14,46,008	
Interest—		
On capital at charge, commercial lines	16,54,52,739	
Interest portion of annuities	3,12,26,786	
On capital contributed by Indian States and Companies	3,09,94,374	
Land and subsidy	5,40,450	
Miscellaneous Railway expenditure	15,39,642	
Contribution at 1 per cent. on capital at charge, commercial lines	5,40,42,520	
		88,68,02,704
(iii) Surplus	...	4,49,98,625
(iv) Contribution of one-fifth of surplus	...	89,99,725
3. (i) Total contribution from railway revenues [1 *plus* 2 (iv)]	...	6,30,42,245
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital of 26,22,57,762	1,02,37,398	
(ii) Loss in working	18,52,743	
		1,20,90,141
(ii) Net payment due from railway to general revenues in 1924-25 and 1925-26 . . .	...	5,09,52,104

J. M. HARTLEY,
Accountant General, Railways.

G. G. SIM,
Financial Commissioner.

DELHI,
RAILWAY DEPARTMENT,
The 28th March 1925.

3.—Statement of receipts of the Central Government in India and England from State

HEADS OF ACCOUNT.	Accounts, 1923-24.				Revised Estimate	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XLI.—Capital contributed by Railway Companies and Indian States towards outlay on State Railways.	...	—71,55,000	—31,39,684	—1,02,94,684	...	—18,92,60,000

J. M. HARTLEY,
Accountant General, Railways.

Delhi,
Railway Department,
The 28th March 1925.

Capital contributed by Railway Companies and Indian States towards outlay on Railways.

1924-25.			Budget Estimate, 1925-26.				
Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1924-25.	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1924-25.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
—8,72,85,000	—27,85,45,000	+6,20,000	...	—3,47,50,000	—1,37,13,000	—4,84,63,000	+22,80,82,000

G. G. SIM,
Financial Commissioner.

4.—Statement of the Capital Expenditure of the

Head of Expenditure.	Accounts, 1923-24.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Railway Capital not charged to Revenue :—						
53.—Construction of State Railways :—						
(a) Commercial Lines						
Open Line Works—						
Rolling Stock	...	...	...	9,17,93,994	...	...
Other Works	...	...	...	11,00,76,269	...	...
New Lines	...	...	...	2,77,67,745	...	...
Suspense	...	...	...	—3,38,45,685	...	...
(b) Strategic Lines	...	...	...	90,06,149	...	...
Provision for probable supplementary grants	...	...	...	...	...	...
Deduct—Probable Savings	...	...	...	...	...	...
Total	6,43,57,530	9,89,77,646	4,46,63,296	20,79,98,472	2,67,75,000	7,50,00,000
54.—Redemption of liabilities involved in purchase of Railways	...	...	...	...	...	...

Delhi,
Railway Department,
The 28th March 1925.

J. M. HARTLEY,
Accountant General, Railways.

Central Government in India and England on Railways.

1924-25.			Budget Estimate, 1925-26.				
Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1924-25.	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1924-25.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	6,32,31,000	—78,07,000	...	...	...	8,26,49,000	+1,94,18,000
...	11,68,46,000	—5,18,12,000	...	...	...	17,23,75,000	+5,55,29,000
...	3,53,85,000	—79,75,000	...	...	...	8,44,09,000	+4,90,24,000
...	—7,31,34,000	—3,32,05,000	...	...	...	—2,15,53,000	+5,15,81,000
...	61,72,000	+36,28,000	...	...	...	28,50,000	—33,22,000
...	...	...	...	...	...	10,00,000	+10,00,000
...	2,00,00,000	+7,43,29,000	...	...	...	9,17,30,000	+7,17,30,000
2,67,25,000	12,85,00,000	—17,15,00,000	12,97,67,000	7,51,75,000	2,50,58,000	23,00,00,000	+10,15,00,000
...	...	...	...	2,57,50,000	85,83,000	3,43,33,000	+3,43,33,000

G. G. SIM,

Financial Commissioner.

A.—Railway Depreciation Fund.

	Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.		Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	...	...	...	2,10,00,000	Appropriation from Depreciation Fund.	...	...	8,25,00,000	9,50,00,000
Appropriation to Depreciation Fund.	...	...	10,35,00,000	10,73,25,000	Closing Balance.	...	...	2,10,00,000	3,33,25,000
TOTAL	...	...	10,35,00,000	12,83,25,000	TOTAL	...	...	10,35,00,000	12,83,25,000

J. M. HARTLEY,
Accountant General, Railways.

G. G. SIM,
Financial Commissioner.

DELHI,
RAILWAY DEPARTMENT;
The 28th March 1925.

B.—Railway Reserve Fund.

	Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.		Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	...	...	...	4,09,65,000	Appropriation from Reserve Fund.	...	...	...	...
Appropriation to Reserve Fund.	...	...	4,09,65,000	3,28,69,000	Closing Balance.	...	...	4,09,65,000	7,38,34,000
TOTAL	...	...	4,09,65,000	7,38,34,000	TOTAL	...	...	4,09,65,000	7,38,34,000

J. M. HARTLEY,
Accountant General, Railways.

G. G. SIM,
Financial Commissioner.

DELHI,
RAILWAY DEPARTMENT;
The 28th March 1925.

Explanatory Memorandum of the Railway Budget for 1925-26.

1. The object of the memorandum is to explain the main features of the Railway Budget as embodied in the several demands for expenditure on Capital and Revenue account, including the amounts that pass into and from the Railway Depreciation and the Railway Reserve funds. In pursuance of the terms of the resolution regarding the separation of Railway Finance passed by the Legislative Assembly on the 20th September 1924, the form of the Budget, the number of demands for grants, and the form of the subsidiary statements, were discussed with and approved by the Standing Finance Committee for Railways. The estimates of both receipts and expenditure and the demands for grants for the next year were also fully discussed by the same committee. The proceedings of the Committee have been circulated to members of the Assembly.

2. Details of the estimates for each railway are given in the form of a self-contained book in which an explanatory memorandum is given briefly dealing with the more important features of the estimates. This memorandum deals with the Revised and Budget estimates for the railways as a whole.

3. *Capital (Head of account—"53—Construction of State Railways".)*—In March last the Legislative Assembly approved of a capital expenditure of 30 crores on Railways during 1924-25, of which approximately 25 crores were for the rehabilitation and improvement of existing lines and approximately 5 crores for construction of new lines. The amount expected to be spent during the year is only 12·85 crores resulting in a lapse of 17·15 crores. The total capital expenditure, however, is really much greater than would appear from these figures. The decision of the Privy Council that customs duty prior to the amendment of the Sea Customs Act was not payable in respect of railway materials imported by company-worked railways has resulted in a refund of 280 lakhs of which 155 lakhs goes towards reduction of the total capital at charge. It is also anticipated that there will be a reduction of the capital locked up in stores balances of about 4 crores. The estimated total capital expenditure for the current year is, therefore, 18·4 crores, that is, the expenditure approximates to the expenditure of last year. The Report by the Railway Board on Indian Railways for 1923-24 sets forth reasons why the scale of expenditure has not yet reached the figure of 30 crores per annum agreed to by the Legislature. The reasons therein given, *viz.*, the necessity for overhauling all projects with a view to financial justification and the necessity for coordinating all the different schemes on individual lines, continued into the current year, while the difficulties experienced in connection with the fixed budget procedure were only eliminated when the Assembly agreed to the separation of the railway from the general finances in September. On new lines the principal lapses occurred on the Villupuram Trichinopoly Railway where against a provision of 80 lakhs an expenditure of only 2½ lakhs is anticipated. The estimates for this project required modification in important aspects and sanction to the commencement of the work was withheld until the scheme had been thoroughly re-examined. For similar reasons large lapses have also occurred on the Budget provision on the Virudunagar Tenkasi and the Shoranur Nilambar Railways. It was possible, however, to make greater progress with the Itarsi Nagpur Railway than had been anticipated, where 31 lakhs more has been spent than the budget provision.

The same reasons as those given for the lapse in the capital expenditure also apply to the lapse in expenditure from the depreciation fund.

4. The programme for capital expenditure for the year 1925-26 provides for the amounts which it is anticipated will be spent on works approved of by the Railway Board. The Agents anticipate that on these approved works they will be able to spend 32·07 crores. While it is proposed to authorise them to spend up to this amount, the Railway Board consider that the estimates made by Agents are too optimistic in view of the experience of recent years, and are of opinion that as far as can be foreseen at present not more than 23 crores is likely to be spent.

5. Of the gross sum of 32·07 crores, 23·53 crores are allotted for open line facilities and rolling stock with the consequent provision of 11·32 crores for expenditure from the Depreciation Fund. For the construction of new lines and lines already in progress the allotment proposed is 8·54 crores.

6. The details of the total capital expenditure on State Railways worked by the State and Companies in each of the three years from 1923-24 to 1925-26, are as follows:—

Items.	Actual, 1923-24.	1924-25. Budget.	1924-25. Revised.	Budget, 1925-26.
(a) England	69,897,765	11,568,400	7,560,000	10,829,100
	Rs. 9,89,77,646	11,56,84,000	7,56,00,000	10,82,91,000
(b) India	Rs. 6,13,57,530	13,42,44,000	2,67,75,000	17,63,42,000
	Rs. 16,33,35,176	24,99,28,000	10,17,75,000	28,46,33,000
(c) Exchange	Rs. 4,46,63,296	5,00,72,000	2,67,25,000	3,60,97,000
	Rs. 20,79,98,472	30,00,00,000	12,85,00,000	32,07,30,000

7. The following table compares the allotments made for open lines and lines under construction in 1925-26 with those of previous year:—

(Figures in thousands of rupees.)

Items.		Actuals, 1923-24.	Revised, 1924-25.	Budget, 1925-26.
(1) Open lines (including rolling stock)	Commercial Lines	17,12,24	8,89,43	23,34,71
	Strategic Lines	17,94	19,54	18,30
(2) Lines under construction—				
(a) Started in previous years	Commercial Lines	1,07,31	3,46,68	6,24,00
	Strategic Lines	72,12	42.18	10 00
(b) Started in current year		1,70,37	7,17	2,20,09
	Total	20,79,98	12,85.00	32.07,30

8. The details of the Budget grant for 1925-26 are shown below—

(Figures in thousands of rupees.)

Railways.	Open Lines.			Construction of	
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.
State Railways worked by the State—					
1. Aden	...	—5	—5	...	...
2. Central Indian Coal Fields	...	...	...	1,96,09	...
3. Eastern Bengal	29,30	54,00	83,30	...	...
4. Jodhpur Hyderabad (British Section)	...	3,58	3.58	...	...
5. North Western	63,29	54,46	1,17,75	....	...
Narowal Amritsar connection	...	...	...	...	20,00
6. Strategic Lines	...	18,50	18,50	...	...
Khyber	...	...	...	10,00	...
7. East Indian (including Oudh and Rohilkhand).	2,52,55	3,35,08	5,87,63	...	...
Chandrapura Gomoh	...	...	...	4,65	..
Calcutta Chord	...	...	...	...	17,00
Rikhikesh Road—Rikhikesh	...	...	...	8,62	...
8. Great Indian Peninsula	1,13,90	1,77,99	2,91,89	...	...
Agra Delhi Chord	...	1,13	1,13	...	...
Cawnpore Banda	...	34	34	...	...
Bhopal State	...	13	13	...	...
Bombay Harbour Branch	...	...	...	95	...
Majri Rajur	...	...	...	1,50	...
Total State Railways worked by the State	4,59,04	6,45,16	11,04,20	2,22,41	37,00
State Railways worked by Companies—					
9. Assam Bengal	8,42	16,35	24,77	...	...
Sibsagar Road Khawang	...	...	...	10,31	...
Furkating Badulipara Jorhat	...	...	...	...	15,61
Jharia Jhanjail Bagmara Jaligiri	...	...	...	...	16,00
Karimganj Longai Valley	...	...	...	...	16,50
Carried over	8,42	16,35	24,77	10,31	48,11

(Figures in thousands of rupees.)

Railways.	Open Lines.			Construction of	
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.
Brought forward	8,42	16,35	24,77	10,31	48,11
State Railways worked by Companies—*contd.*					
10. Bengal Nagpur	1,05,35	2,31,97	3,37,32	...	...
Bokaro Ramgarh Extension	...	...	...	1,70	...
South Karanpura Coal Fields	...	...	...	4,98	...
Vizagapatam Harbour	...	...	...	—43,10	...
Raipur Parvatipur	...	...	...	1,34,00	...
Amda Jamda	...	...	...	5,88	...
Talchir Coal Fields	...	...	...	18,39	...
Hesla Chandil	...	...	...	90,00	...
Argada Branch	...	...	...	1,84	
Guttitangar Branch	...	...	...	5,21	...
Tumsur Road Tirodi	...	...	...	...	20,66
Ghordeva Coal Fields	...	...	...	...	27,82
11. Bengal and North Western (Tirhut)	8,66	6,34	15,00	...	...
12. Bezwada Extension	...	50	50	...	...
13. Bombay, Baroda and Central India	1,18,29	2,49,49	3,67,78	...	...
Dholka Dhandhuka	...	...	...	1,50	...
14. Burma (Main Line)	17,74	26,86	44,60	...	...
Burma Extensions	7,97	6,20	14,17	...	...
Southern Shan States	...	25	25	...	...
Bauktaw Mingladon	...	...	...	6,00	...
Pyinmana Taungdwingyi	...	...	...	5,05	...
Moulmein-Ye	...	...	...	5,75	...
Alon-Ye-U	...	...	...	5,38	...
Pegu Kayan	...	...	...	12,70	...
Heho Tayaw	...	...	...	...	11,50
Mandalay Madaya	...	...	...	...	11,00
Carried over	2,(6,43	8,81,56	8,04,39	2,65,59	1,19,09

(Figures in thousands of rupees.)

Railways.	Open Lines.			Construction of	
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.
Brought forward .	2,66,43	8,81,56	8,04,39	2,65,59	1,19,09
State Railways worked by Companies—*concld.*					
Burma—*contd.*					
Taungdwingyi-Kyauk Padaung .	...	...	...	...	21,00
Taungdwingyi-Magwe . . .	...	...	...	...	4,00
Myingyan-Natogyi Paleik . .	...	...	...	...	11,00
Ye-Sinbyubyin	...	...	...	...	21,00
15. Great Indian Peninsula . . .	37,96	59,33	97,29	...	...
16. Madras and Southern Mahratta . .	40,50	1,41,50	1,82,00	...	...
Dhone Kurnool	...	5	5	...	...
Guntur Tenali	...	10	10	...	...
17. Rohilkund and Kumaon (Lucknow-Bareilly Section).	...	—14	—14	...	...
18. South Indian	20,96	1,39,06	1,60,02	...	...
Tinnevelly Quilon (British Section) .	34	3,35	3,69	...	...
„ (Indian State Section) .	1,23	26	1,49	...	...
Coonoor Ootacamund . . .	3	9	12	...	...
Villupuram Trichinopoly . .	...	...	...	80,00	...
Virudunagar Tenkasi . . .	...	...	...	38,00	...
Shoranur Nilambar . . .	...	...	...	28,00	...
Dindigul Pollachi	...	...	...	...	4,00
Trichinopoly Karaikudi . . .	...	...	...	...	3,00
Total State Railways worked by Companies.	3,67,45	8,81,56	12,49,01	4,11,59	1,83,09
Total State Railways .	8,26,49	15,26,72	23,53,21	6,34,00	2,20,09
				32,07,30	
Deduct—Probable savings .	2,23,21	5,00,00	7,23,21	1,45,73	48,36
				9,17,30	
Add—Provision for probable supplementary grants.				10,00	
Net .	6,13,28	10,26,72	16,40,00	4,88,27	1,71,73
				23,00,00	

9 The distribution of the 23·53 crores over the open line Capital programme is as follows:—

	Crores.
1. Open line facilities	17·43
2. Rolling Stock	8·26
3. Reduction in stores balances	1·50
4. Suspense	—·66

10. *Open line facilities.*—The following gives the distribution of the proposed gross allotment of 17·43 crores among the various classes of open line works:—

	Crores.
(*a*) Doubling and quadrupling	1·39
(*b*) Improved rails and sleepers	·90
(*c*) Strengthening of bridges	·92
(*d*) Remodelling of station yards	2·73
(*e*) Staff quarters	1·22
(*f*) Workshops and stores and station buildings	3·10
(*g*) Plant and Machinery	2·50
(*h*) Electrification of lines	1·80
(*i*) Sidings, diversions, links, etc.	·72
(*j*) Other miscellaneous works	2·15
Total	17·43

11. (*a*) *Doubling and Quadrupling.*—Some of the more important works are on the Bengal-Nagpur Railway, where, in order to improve the capacity of the line for carrying coal, limestone and other traffic it is proposed to spend 58 lakhs on doubling the Golkera-Manharpur, Manharpur-Kansbahal, Kharagpur-Tatanagar, Gomharia-Sini, Kandra Sini, Korkai Bridge-Tatanagar and Roopnarain Bridge Sections. A sum of 38 lakhs is provided for work on the Grand chord doubling of the East Indian Railway which will improve the capacity of the main route for carrying coal to the north of India, 34 lakhs for quadrupling the Bandra Borivili and Bandra-Grant Road sections of the Bombay, Baroda and Central India Railway required for the improvement of suburban services and 9 lakhs for doubling the Pyu-Kyumgon section of the Burma Railways, where increased traffic makes early improvement necessary.

(*b*) *Improved rails and sleepers and* (*c*) *Strengthening of bridges.*—The various allotments under these heads are required for improving the existing track and bridges which are on sections where the standard is below that required for modern loads in accordance with the co-ordinated schemes of track improvement on the various railways. The rebuilding of Bassein Bridge and strengthening of Viramgam section of the Bombay, Baroda and Central India Railway for which 17 and 8½ lakhs respectively have been provided, deserve individual mention.

(*d*) *Remodelling of station yards.*—The remodelling of and rearrangement of marshalling yards in many cases is long overdue and the provision of better marshalling facilities is one of the most urgent necessities for improved traffic services and to reduce delays to wagons in transit. The introduction of a revised system of statistics for showing the work done in marshalling yards has indicated that much time and money is lost in attempts to deal with marshalling problems with inadequate facilities and

shunting arrangements of old design and constructed for much lighter traffic. Improved and larger yards is one of the most important requirements in obtaining better user out of rolling stock and improving the speed at which the traffic is handled. The more important projects for which allotments are made are—

	Lakhs.
Mazgaon (Great Indian Peninsula Railway)	16
Nagpur (Great Indian Peninsula Railway)	7
Poona (Great Indian Peninsula Railway)	11
Victoria Terminus (Great Indian Peninsula Railway)	10
Karachi (North Western Railway)	8
Rawalpindi (North Western Railway)	8
Wazirabad (North Western Railway)	4
Hteedan, Ahlone and Rangoon (Burma Railways)	4
Ghorpuri (Madras and Southern Mahratta Railway)	7
Tondiyarpettai (Madras and Southern Mahratta Railway)	12½
Jalarpat (Madras and Southern Mahratta Railway)	8
Guntakal (Madras and Southern Mahratta Railway)	4
Anara (Bengal Nagpur Railway)	4
Tatanagar (Bengal Nagpur Railway)	3½
Mohuda (Bengal Nagpur Railway)	4
Godhra (Bombay, Baroda and Central India Railway)	3¼
Ahmedabad (Bombay, Baroda and Central India Railway)	13
Trichinopoly (South Indian Railway)	10
Lucknow (Oudh and Rohilkhand Railway)	19½
Parbatipur (Eastern Bengal Railway)	7

(*e*) *Staff quarters.*—Ordinarily railway administrations have to provide quarters in places where the staff cannot obtain accommodation, and as was explained on previous occasions better housing for railway employes is an urgent necessity in many places. The larger schemes on which expenditure is expected next year are on the Bengal Nagpur, Bombay, Baroda and Central India, East Indian, Great Indian Peninsula, North-Western and Madras and Southern Mahratta Railways.

(*f*) *Workshops and stores buildings and* (*g*) *Plant and machinery.*—The programme includes provision of 2·12 crores for remodelling workshops, being the approximate amount which it is anticipated will be spent during the year upon schemes, the aggregate cost of which amounts to 12·73 crores. The necessity for this heavy expenditure has arisen owing to the increase in the amount of rolling stock required to handle the increasing traffic having outgrown the capacity of the existing shops. There has, in consequence, been a substantial increase in the percentage of rolling stock under or awaiting repairs. It is necessary that the workshops should be remodelled in order that this percentage should be reduced and more work obtained from the rolling stock, and also that the shops should be capable of dealing with the additional rolling stock which will be required for the anticipated increase in traffic in future years. The advances which have been made in recent years in workshop practice and the modern development of improved machinery whereby work is speeded up and costs reduced, have made it possible by incurring suitable expenditure on workshop improvement to reduce the time during which rolling stock is under repair, to reduce the cost of repairs and to enable arrears of repairs to be

overtaken. This again implies that more duty can be obtained from existing rolling stock.

The more important of the projects of workshop improvement are:—

(1) *Charbagh Shops* (*Locomotive*) (*Oudh and Rohilkhand Railway*).—In 1923-24, the percentage of locomotives on the Oudh and Rohilkhand Railway, under or awaiting repairs was 17·7 per cent., and overdue repairs was 22·2 per cent. The original scheme for remodelling these shops was intended to deal with the requirements of the Oudh and Rohilkhand Railway alone, but in view of the proposed amalgamation of the East Indian Railway with the Oudh and Rohilkhand Railway, the scheme has been revised in order that the requirements for both the systems might be dealt with on a more economical and systematic basis. Considerable extensions to the locomotive works at Jamalpur were under consideration by the East Indian Railway and it was decided to remodel the workshops at Charbagh so as to deal with the repair of locomotives for the combined system north and west of Moghalserai, to reduce appreciably the proposed manufacturing unit at Charbagh concentrating that work at Jamalpur, and to hold in abeyance the remodelling scheme for Jamalpur carrying out only such work as is urgently required. It is anticipated that when the shops at Charbagh are remodelled they will be able to deal with the requirements of both systems north and west of Moghalserai, will defer the expenditure, otherwise necessary, on the Jamalpur shops, will decrease the percentage of locomotives under or awaiting or overdue repairs on the system and also reduce the time they are under repairs. The remodelling scheme at Charbagh provides for the anticipated requirements 15 years ahead. The best output in the present shops is 4·23 locomotives per pit per annum. With improved facilities and better layout it will increase to 5 locomotives per pit and possibly more. This improved outturn by increasing the number of effective stock available will have the effect of deferring the purchase of new stock which would otherwise be necessary.

(2) *Trichinopoly Shops* (*South Indian Railway*).—The broad gauge rolling stock of the South Indian Railway is at present repaired at Podanur and the metre gauge stock at Negapatam. The workshops at Podanur are very much out of date, the site is cramped and improvements have been postponed pending the transfer of the work to Trichinopoly. The new workshops at Trichinopoly, on which considerable progress has already been made will enable both the broad gauge and metre gauge stock to be much more efficiently and expeditiously repaired. The absence of adequate workshop accommodation has in fact been an important factor in retarding improvements in accommodation and train services on this railway. In 1923-24 the percentage of rolling stock under or awaiting repairs on the South Indian Railway was as high as 23·8 per cent. for locomotives and 22·6 for goods vehicles, while the percentage of overdue repairs was as high as 26·9 for coaching vehicle on the broad gauge and 36·3 on the metre gauge.

Under this scheme apart from a very considerable reduction in the percentage of rolling stock awaiting or overdue repairs it is anticipated that the increased facilities will result in an annual saving of 9 lakhs on account of the labour which it is at present necessary to employ. A further saving of Rs. 45,000 is also expected on account of expenditure at present incurred in transporting labour to and from the existing shops at Negapatam which will be saved when the new shops are brought into use.

The reduction in the percentages of stock under or awaiting or overdue repairs will automatically increase the earning capacity of the stock, and

reduce the amount of additional stock required to meet demands on account of additional traffic. The existing workshops at Negapatam and Podanur which are antiquated in design, and most uneconomical in operation are wholly inadequate to meet the present demands.

(3) *Dohad Shops (Bombay, Baroda and Central India Railway).*—In 1923-24 the percentage of rolling stock on the Bombay, Baroda and Central India Railway under or awaiting repairs was 21·7 for locomotives while the percentage of locomotives overdue repairs was 15·7, and of coaching vehicles 48·2. The position in November 1924 showed the percentage under or awaiting repairs, as locomotives 21·3 per cent., passenger carriages 17·4 per cent., other coaching vehicles 19·4 per cent., goods vehicles 4·9 per cent. For the same period the number overdue repairs was locomotives 21·7, passenger carriages 15·3, other coaching vehicles 26·2 and goods vehicles 3·9. The position as regards locomotives is thus steadily getting worse and the provision of better workshop facilities has become an urgent necessity.

The existing shops at Parel are badly congested, cannot be expanded, and are of antiquated design and uneconomical in output costs, and it is essential that the work in connection with the new shops should be expedited not only in order to get additional work out of the existing stock but also to provide for the repairs of additional stock to meet increased requirements. The scheme proposed at Dohad for the relief of the workshops at Parel includes the provision of workshops for wagon repairs but so far sanction has been given for the commencement of the locomotive repair unit only, but it is anticipated that in the immediate future it will be necessary to approve also of that part of the scheme which provides for facilities for repairs of other classes of rolling stock.

(4) *Perambur workshops (Madras and Southern Mahratta Railway).*—The necessity for adequate facilities in these shops has been felt for many years. The percentage of locomotives under repair in 1923-24 was as high as 25·2, while the percentage of the coaching vehicles overdue repairs was as high as 33 and conditions have been steadily getting worse. The existing shops are very cramped and the layout is unsuitable. These and other disadvantages make it impossible to conduct work in the shops efficiently and economically. With a view to improving the position, a scheme has been prepared for their complete remodelling. The estimated cost of the scheme is 277 lakhs. It is anticipated that a greater outturn will be possible by the provision of modern facilities. The requirements for additional rolling stock will be reduced with a corresponding reduction in depreciation, repairs and renewals. The capitalised value of these savings is estimated to amount to nearly 3 crores. This scheme includes a provision for the construction of a new stores building and yard, which will make it possible to reduce by 5 per cent. the stores held in stock. It is also anticipated that with the provision of modern types of machinery in the new power house, the cost of current per unit will be reduced by half an anna. There can be no doubt, therefore, that the whole scheme will be almost immediately remunerative.

(*h*) *Electrification of lines.*—The main items under this head are the electrificatoin of the Great Indian Peninsula Railway and the Bombay, Baroda and Central India suburban lines. A provision of 93 and 77 lakhs respectively has been made for these schemes in the next year. A small provision has also been made for a commencement of the work of electrification of the main line to Igatpuri and Poona.

(i) and (j) Sidings, diversions and other miscellaneous works.—The provisions under these heads consist of expenditure on watering arrangements, acquisition and improvement of collieries, electric installations at important stations and overbridges.

12. *Amenities for 3rd class passengers.*—Much of the proposed expenditure is of a nature which enables improvements to be made in train services and the conditions of travel for third class passengers. But, in addition, provision is being made to the extent of Rs. 174 lakhs for amenities specially for lower class passengers. The details of this provision are as follows:—

	Crores.
(1) Arrangements for water supply to passengers	9·03
(2) Waiting sheds, waiting rooms and waiting halls	9·92
(3) Indian refreshment rooms	3·31
(4) Booking facilities	2·81
(5) Latrines and sanitary arrangements	1·46
(6) Raised platforms	4·30
(7) Additions and betterments to lower class carriages	143·17
TOTAL	174·00

13. *Rolling Stock.*—Provision is made in the budget for an expenditure of 6·23 crores for additional stock, 2·03 crores for improvement of the existing stock, and 3·56 crores for renewals and replacements of worn out stock chargeable to the depreciation fund. The specific allotments set apart for various items are shown below:—

—	Additions.	Betterments.	Total.
1. Locomotive engines and boilers	1·14	·41	1·55
2. Coaching vehicles	2·09	·78	2·87
3. Goods wagons	3·00	·84	3·84
TOTAL	6·23	2·03	8·26

The allotments referred to above include the balance of expenditure remaining to be incurred during 1925-26 on estimates for rolling stock sanctioned in previous years and that portion of the expenditure which will be incurred during 1925-26 on estimates for rolling stock which will be sanctioned against the programme of construction approved for 1925-26.

The programme authorised by the Railway Board at the time of the preparation of the budget for 1925-26 provides for the construction of the following new units of stock, all of which however will not necessarily be completed and available for use before the 31st March 1926.

—	Additions.	Renewals.	Total.
(1) Locomotive engine	70	47	117
(2) Coaching vehicles (in terms of four wheelers)—			
(a) Upper class	67	121	188
(b) Lower class	755	489	1,244
(3) Goods wagons (in terms of four wheelers)	3,857	2,413	6,270

The number of additional locomotives included in the programme for 1925-26, *viz.*, 70, is the net addition to the total authorised stock of all railways. So far as State Railways are concerned, requirements for additional locomotive stock for some railways are being met by the transfer of 62 locomotives from other railways where it has been found by experience, with improved methods of working, that locomotives are in excess. The total number of locomotives to be obtained for State Railways is 17 which includes the new standard type engines which are to be tried out in actual working conditions.

As regards coaching stock the Railway Board at present have the whole question of the requirements on State Railways under careful examination. The number of additions proposed is limited to some extent by the capacity of the workshops and there is a danger that if further stock is ordered there might be some deterioration in the present position regarding repairs and overhaul of exsiting stock. It is necessary, however, to speed up the addition to stock in order to provide sufficient accommodation for the traffic offering and anticipated in the early future, and it is hoped that some rearrangement of workshop facilities will be possible by which a more substantial increase can be arranged for than that indicated above. The Railway Board attach the greatest importance to a special effort being made in this direction so that the present shortage of coaching stock for all purposes may be eliminated as soon as possible.

The following statement shows the details of the new units of coaching and goods stock in terms of four-wheeler units included in the programme authorised by the Railway Board at the time of preparation of the Budget:—

Railways.	Upper class coaching vehicles.	Lower class coaching vehicles.	Goods wagons.
North Western	...	290	369
East Indian and Oudh and Rohilkhand	37	213	1,250
Eastern Bengal	6	30	...
Great Indian Peninsula	12	84	485
Bengal Nagpur	6	20	400
Burma	...	...	108
Bombay, Baroda and Central India	2	40	600
Madras and Southern Mahratta	...	22	35
South Indian	...	...	100
Tirhoot	4	56	470
Lucknow Bareilly	...	...	40
TOTAL	67	755	3,857

New lines.

14. A complete statement of all the projects for new lines whether under construction or to be commenced during the budget year is given in the demands for grants for new construction and a brief description of the more important projects has also been given in the individual books for each railway. Fuller particulars regarding new projects are given in paragraph 16.

15. The total new mileage of the new lines detailed in the demand amounts to 2,132 miles. It is anticipated that 48·14 miles of line will be opened in the current financial year and 347·58 miles in 1925-26. The additions to the several main lines are as follows:—

(1) Bengal-Nagpur	577
(2) Burma	535
(3) South Indian	353
(4) Assam Bengal	150
(5) Great Indian Peninsula	119
(6) North-Western	43
(7) Bombay, Baroda and Central India	39
(8) East Indian and Oudh and Rohilkhand	28
(9) Central Indian Coal Fields	288
	2,132

16. The following are particulars of the more important new construction projects.

(1) *Raipur-Parvatipur Railway.*—This railway, 260 miles in length will traverse the largest remaining area of India still devoid of railway communication, and with the Parvatipur Vizianagram line, which was opened to traffic in 1909, will link up the Central Provinces with the port of Vizagapatam. Its prospects and those of the port of Vizagapatam are interdependent, since the additional traffic which the railway will bring to the seaport could not be handled by the sea-port with its existing facilities, while any considerable development of the port would be unnecessary unless the railway is constructed. It is proposed therefore to undertake simultaneously the construction of the railway from railway funds and the development of the harbour from funds provided by the Central Government.

The financial prospects of the line are as follows:—

Capital cost	536 lakhs.
Gross earnings	65¼ „
Working expenses	34 „
Net earnings	31¼ „
Return on capital	5·83 per cent.

These prospects are not of course likely to mature until three years or so after the line has been opened, when traffic has had time to develop. Manganese and, to a lesser extent, cotton are expected to form the bulk of the traffic in the earlier years before the country through which the line will pass has been opened up. Consequently much of the export traffic which will pass over the new line will be traffic diverted from Calcutta,

and to a lesser extent Bombay; and at first sight it would appear that this should not be treated as new traffic for the purposes of the Parvatipur line. But in view of the congestion which obtains between Bilaspur and Rourkela, and will be accentuated as traffic develops, it would be necessary in the near future to double this section at an approximate cost of 265½ lakhs unless some method of diverting a portion of the traffic can be found; rather than have to double the Bilaspur Rourkela section, the Railway Board consider it more profitable to find another outlet for some of the traffic; and in the Raipur Parvatipur connection means are at hand which will both serve this purpose and at the same time help to develop a large tract of promising new country. The new connection and a simultaneous development of the port of Vizagapatam will also form a most important connecting link between the Central Provinces, Northen India, and the sea.

The estimates of gross earnings may be exceeded as soon as the area served by the line develops. The railway will pass through a country the mineral possibilities of which are as yet an unknown factor, and will serve a port whose natural advantages indicate the possibility of a considerable import trade. The figure of 65¼ lakhs takes no account of the future growth of trade in this area, but some idea of the probable development of traffic over this railway can be formed by a comparison with the Bilaspur Chakardharpur section of the Bengal Nagpur Railway. This section was built through similar country and its earnings have steadily developed. It is now one of the most paying portions of the whole railway.

(2) *Tumsur Road Tirodi Railway.*—This is a proposal for the conversion to broad gauge of a portion of the existing 2 feet gauge tramway between Tumsur Road and Tirodi in order to cope more adequately with the manganese traffic in sight and that which is likely to offer in future when more up-to-date methods for extracting the ore are installed.

The original estimate of the cost of the project, *viz.*, 30¾ lakhs has been sanctioned by the Secretary of State but this sanction has not been implemented in view of the request of the Central Provinces Government for an alteration in the alignment. A fresh survey has been ordered. It will probably increase the length of the converted line from 27 to 31 miles, and its capital cost by 9½ lakhs. The resulting return on the capital outlay will be reduced from about 10 per cent. to 8 per cent. It is proposed to charge rates on this branch 50 per cent. higher than those ruling on the main Bengal Nagpur Railway system, of which it will be a part.

(3) *Ghordewa Coalfield Railway.*—Prospecting operations carried out in the Lafa Coalfield near Ghordewa village in the Chattisgarh Division indicate the existence of a valuable coalfield. The coal is reported to be of first class quality for locomotive purposes and the mining conditions are favourable. A survey for a broad gauge railway connection with this area from the vicinity of Bilaspur on the Bengal Nagpur Railway to Ghordewa, a length of about 35 miles, has been recently carried out and the estimates are under preparation.

(4) *Calcutta Chord Railway.*—The congested state of the downward coal traffic into Calcutta has necessitated the examination of providing better railway communication between the coalfields and the docks. After a careful examination of the prospects of affording those facilities by improving the capacity of the existing routes, the Agent, East Indian Railway, has proposed that the best solution is to build a new chord from Dankuni on the Howrah-Burdwan Chord connecting with the Eastern

Bengal Railway at a point near Dum Dum and crossing the River Hooghly by a bridge at Bally. This scheme will afford direct access and the shortest possible route to the docks. It will help the development of the trade of Calcutta, and ultimately when the electrification of the suburban services has been completed, will stimulate greatly the passenger traffic in and out of Calcutta. The Agent's proposals are under examination.

The project submitted by the Agent is estimated to cost 254½ lakhs, which includes provision for the quadrupling of the section of the East Indian Railway between Ondal and Khana and to yield a return which will fully justify it as a remunerative proposition.

(5) *Furkating-Badulipara-Jorhat Railway.*—The construction of this branch has been strongly advocated by the Assam Government as well as by the planting community. Under existing conditions, with the exception of the small amount of traffic which passes over the Jorhat Provincial Railway, the traffic is transported to and from three ghats on the Brahmaputra River and is carried by the River Steamer Company. The roads in the area are mainly unmetalled and for the greater part of the year cartage is carried on with the greatest difficulty. The provision of rail communication will therefore afford great relief and will also help to develop the trade of the country.

The line will pass through an area where tea is extensively grown and it is anticipated that tea for export will be drawn to Chittagong. Large imports may also be expected. These considerations, together with that of the development which should ordinarily follow in a densely populated area, show that the line should be both financially successful in itself, and should also help the prosperity of the main line by interchanging with it a considerable tonnage of long lead and paying traffic.

The capital cost of the line is estimated at Rs. 27,36,832. The earnings of the branch line, and of the main line from interchanged traffic are estimated to give a return of over 7 per cent. The Secretary of State's sanction to the construction of the line as part of the Assam Bengal Railway undertaking has been applied for.

(6) *Karimganj-Longai Valley Railway.*—This line will provide means of easy communication with the Longai and Chargola Valleys in Assam where tea, paddy, etc., are extensively grown. There are several roads in this area but they are unfit for vehicular traffic and become impassable during the monsoon. The principal waterways which provide means of communication at present are reported to be rapidly deteriorating.

The line is estimated to cost 30½ lakhs. The gross earnings of the branch and the main line from interchanged traffic are estimated to yield a return of about 5 per cent. which is likely to increase to 7 per cent. in 10 years after opening. It will form a part of the Assam Bengal Railway undertaking.

(7) *Dindigul-pollachi Railway.*—This is a metre gauge line, about 75 miles in length, and its cost is estimated at 71·71 lakhs. The earnings of the line exclusive of those from traffic diverted from other routes and from new traffic accruing to the parent line from its construction, are estimated to yield a return of about 6⅓ per cent. on opening and of about 8 per cent. 10 years later. The Secretary of State's sanction to the construction of the line as an integral part of the South Indian Railway system has been applied for.

(8) *Trinchinopoly-Pudukottai-Karaikudi Railway.*—The importance of the Trichinopoly-Pudukottai-Karaikudi Railway lies in the fact that it will form a link in the proposed north and south through connection between Villupuram and Tuticorin and, as such, will help in relieving the congestion on the main line of the South Indian Railway.

It will be a metre gauge line about 60 miles in length. The Railway Board is at present in correspondence with the Agent, South Indian Railway, with regard to details of its estimates of cost and earnings but on the approximate information which is available it is estimated that the line will probably cost 74 lakhs, will yield a return of nearly 6 per cent. from its own traffic and will bring to the existing main line additional earnings of about 2½ lakhs. It will form part of the South Indian Railway undertaking.

(9) *Heho-Tayaw Railway.*—This metre gauge railway will form an extension of the Southern Shan States Railway. It will be 9½ miles in length and is estimated to cost 19¾ lakhs. Sanction of the Secretary of State to its construction has been applied for.

The object of the Southern Shan States Railway is to tap the Inle and Bilu Chaung Valleys, and it cannot completely fulfil its functions unless it is extended to the Inle Valley, since the situation at Heho, at present the terminus, at a height of some 850 feet above the Inle Lake, precludes the possibility of the development of any large trade from the country surrounding the lake on account of the cost of carting bulky goods from the Valley to the railhead. The local traffic of the line considered by itself is unlikely to be remunerative. But the line will, however, induce a large amount of additional traffic in the form of potatoes, wheat and paddy on the existing Southern Shan States Railway and the Burma Railways main line which, taken into consideration with the local traffic, will make the project a remunerative proposition. It is estimated that the net earnings from both kinds of traffic will yield within 2, 5 and 10 years of opening a dividend of 3⅓, 5⅓ and approximately 6½ per cent. respectively.

(10) *Taungdwingyi-Kyaukpadaung Railway.*—This line will form an extension of the Pyinmana-Taungdwingyi Railway which is at present under completion. It will be 71 miles in length and will serve an area rich in paddy, practically all of which will be booked through to Rangoon as soon as railway communication is provided. Other crops are sesamum, groundnuts, maize and to a lesser extent " pet " and tamarind. There will also be a certain amount of traffic in live stock. The line is estimated to cost 73½ lakhs and to yield a return of about 8 per cent. Its early construction has been recommended to the Secretary of State and will be undertaken as soon as the Pyinmana-Taungdwingyi section is completed.

(11) *Taungdwingyi-Magwe Railway.*—This is a project required for administrative reasons by the Local Government for connecting Magwe on the east bank of the River Irrawaddy with Natmauk—a station on the proposed Taungdwingyi-Kyaukpadaung extension. It will also be on the direct line for a connection between Burma and India should it eventually be decided to adopt an alignment for the through route *viâ* Akyab and Southern Arakan. The survey of this branch will shortly be undertaken. *Primâ facie* considerations seem to indicate that it will divert some of the traffic from the Pyinmana-Kyaukpadaung line to the river, that it will

traverse a less productive area than the Kyaukpadaung extension and consequently that a guarantee against loss in working will be required from the Local Government.

(12) *Ye-Sinbyubyin Railway.*—This railway which will be an extension of the Moulmein-Ye Railway is at present under survey. It will traverse a country very similar to that between Moulmein and Ye, and will be the next stage on the extension to the port of Mergui.

17. *Depreciation Fund.*—Consequent on the separation of the railway from general finances a depreciation fund has been set up to provide for the cost of renewals, so far as chargeable to revenue, of all the important wasting assets. The amount to be paid into the fund has been determined by arranging that the original cost of such assets shall be paid into the fund over a series of years represented by the normal useful life of each class of assets. The amount to be paid into the fund in the year 1924-25 is 10 crores, and in 1925-26, 10·38 crores, or including the provision for the strategic lines 10·35 crores and 10·73 crores respectively, the increase in the year 1925-26 being due to additional assets placed upon the lines during the current year. The contribution to the depreciation fund is a final charge against the revenue of the year in which the contribution is made. The amount that is paid out of the fund in any one year is determined by the amount spent on renewals and replacements in connection with the rehabilitation programme, and owing to the delay in speeding up the programme which has been referred to in paragraph 3, it is anticipated that the payments out of the fund will be only Rs. 8,05,00,000 in the current year and Rs. 9,25,00,000 in the budget for next year, or including the provision for strategic lines Rs. 8,25,00,000 and Rs. 9,50,00,000 respectively.

Revenue Receipts and Charges—Commercial Lines

18. The figures in the following table bring out the estimated results of the working of commercial lines in the current year and in 1925-26:—

[Figures in thousands of rupees.]

	1923-24.	1924-25.	1925-26.
Gross traffic receipts	92,87,33	97,65,00	1,00,65,00
Share of subsidized Companies' profits . .	23,64	29,50	30,77
Interest on fund balances	...	...	32,35
Miscellaneous receipts	7,04	6,62	6,44
TOTAL RECEIPTS .	93,18,01	98,01,12	1,01,34,56
Working expenses	59,15,60	62,00,75	65,79,37
Surplus profits paid to Indian States and Railway Companies.	1,14,48	1,49,00	1,33,50
Interest charges	22,76,74	22,99,59	23,81,82
Miscellaneous charges	20,80	27,20	34,30
TOTAL CHARGES .	83,27,60	86,76,54	91,28,99
Gain from commercial lines . . .	9,90,41	11,24,58	10,05,57

These figures show the results under the arrangements approved of by the Assembly in connection with the separation of railway from general finances under which the provision for the repayment of capital through annuities and sinking funds is no longer included in the revenue charges.

19. *Receipts, 1924-25*,—The budget estimate of gross traffic receipts in India for 1924-25 was put at Rs. 95,01,80,000 or Rs. 2,14,47,000 in excess of the receipts for 1923-24. It was based on the assumption of normal conditions of trade and moderate expansion in railway traffic. The revised estimate for the year is put at Rs. 97,65,00,000 or Rs. 2,63,20,000 more than the budget figure. A substantial increase in wheat traffic on the North Western Railway, in jute traffic on the Eastern Bengal Railway and coal traffic on the East Indian Railway mainly contributes towards the better results realised. Receipts from passenger traffic are expected to be Rs. 98,51,000 greater than in 1923-24. The total receipts of the year would have been larger but for the breaches on some lines owing to the floods. The loss on this account is roughly estimated at 44 lakhs.

Budget, 1925-26.—The gross receipts in India are estimated at Rs. 1,00,65,00,000. In spite of the abnormal increase anticipated in the current year, provision is made for an increase of 3 crores over and above the revised estimate of the current year. This optimistic forecast appears to be justified by the prospects of the grain and cotton crops.

20. *Working Expenses, 1924-25*.—The following table compares the figures of the revised estimate of 1924-25 with the Budget Estimate of that year:—

—	Administration.	Repairs and maintenance.	Operation.	Depreciation.	Suspense.	Total.	Deduct worked lines.	Net working expenses.
Commercial Lines—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Budget, 1924-25 . .	12,11,37	17,43,52	27,05,41	10,22,98	52	67,73,80	3,55,78	64,18,02
Revised, 1924-25 . .	12,36,00	17,56,00	26,03,25	10,00,00	—24,50	65,70,75	3,70,00	62,00,75
Revised Estimate more (+) less (—) than the Budget.	+24,63	+12,48	—1,02,16	—22,98	—25,02	—2,03,05	+14,22	—2,17,27

Administration.—The anticipated increase of approximately 24½ lakhs in the cost of administration is due to a provision of about 4 lakhs for the Lee Commission proposals; to the reorganisation and strengthening of the watch and ward establishments of certain railways, to expenditure on the technical school at Jamalpur; and to payments of gratuities to the staff of the East Indian Railway retiring from the service on the termination of the contract.

Repairs and maintenance.—There is an excess of about 12½ lakhs under this head. The sum of approximately 30 lakhs additional expenditure was required for the repairs of flood damages on the East Indian, the Burma and the South Indian Railways. Apart from this exceptional item, the actual expenditure fell short of the budget provision by approximately 17½ lakhs due to inability on the part of the railway authorities to carry out their full programme under this head.

Operation.—The decrease of about 2 crores is mainly accounted for by the refund of Rs. 1,25,00,000 of customs duty on stores imported in previous years, under a recent decision of the Privy Council, while there was a saving of about 18¼ lakhs on account of the lower price of coal.

Compensation claims.—As stated in paragraph 39 of the Railway Board's Report on Indian Railways for 1923-24 steps have continued to be taken on different railway administrations to improve the preventive measures mentioned last year in the explanatory memorandum on the budget. As a result of the action previously taken, the amounts paid in compensation claims fell from 121 lakhs in 1922-23 to 78¼ lakhs in 1923-24. It is hoped that in the current year there will be a further fall to 67 lakhs, and the budget estimate for 1925-26 provides for a total payment of 47 lakhs only. Very considerable improvement has been made on all the railways that previously showed heavy payments under this head, but the position on the East Indian Railway is still unsatisfactory, and close attention to this matter is being paid both by the Agent and the Railway Board.

21. *Working Expenses, 1925-26.*—The following table compares the figures of the Budget Estimate, 1925-26, with the Revised Estimate for the current year:

—	Administration.	Repairs and maintenance.	Operation.	Depreciation.	Suspense.	Total.	Deduct worked lines.	Net working expenses.
Commercial Lines—	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Revised, 1924-25 . .	12,36,00	17,56,00	26,03,25	10,00,00	− 24,50	65,70,75	3,70,00	62,00,75
Budget, 1925-26 . .	12,79,00	18,75,00	27,39,87	10,38,00	+15,50	69,47,37	3,68,00	65,79,37
Provision for probable supplementary grants	39,00	...	35,00	...	...			
Budget more (+) less (−) than Revised.	+43,00	+1,19,00	+1,36,62	+38,00	+40,00	+3,76,62	−2,00	+3,78,62

Administration.—The provision of 39 lakhs for probable supplementary grants is intended to cover payments that may arise if the Lee Commission's proposals are extended to the employes of company worked lines and if the London Board establishment charges cannot be kept with the amount provided on this account in the budget. The balance of the increase represents charges on account of the development of traffic. The estimate takes full account of the economies to be effected under this head on the North Western and East Indian *cum* Oudh and Rohilkhand Railway administrations as a result of the introduction of the Divisional organisation and the amalgamation of the East Indian and Oudh and Rohilkhand Railways.

Repairs and maintenance.—The increase of 119 lakhs under this head is due to a special provision of 70 lakhs for the expenditure anticipated next year in connection with the introduction of automatic couplers, and the remainder is due to additional provision for repairs of stock. The total cost of the scheme for the introduction of the automatic couplers is put at approximately 6 crores of rupees and it is expected that the cost of

conversion will be more than saved by a reduction in the cost of maintenance and repairs. The advantages to be derived from the adoption of this type of coupler are expected to be considerable as, not only will the possibility of accidents in coupling vehicles be reduced, but the time taken should be less and flange resistance, tare weight of vehicles, and consequently fuel consumption, will be decreased. At the same time the necessity of a stronger form of draw and buffing gear to cope with the increasing weight of goods trains will be met, while there should be substantial savings in upkeep and maintenance owing to the fewer number of parts. It is expected that the work will take five years to complete, and that it will be necessary to make arrangements for a transition device, regarding which railway administrations have recently been experimenting.

As stated in connection with the revised estimate, the expenditure on repairs of rolling stock is considerably behind hand, and it is hoped that in the budget year more substantial progress will be made.

Operation.—The increase of 136 lakhs under this head is almost entirely nominal as the figures in the revised estimate include a credit of 125 lakhs to be refunded on account of customs duty. The remainder of the increase under this head is due to the increase in traffic anticipated. In spite of an increase in the amount of coal to be consumed, the coal bill, it is anticipated, will show a reduction of 19 lakhs owing to the reduction in the price of coal. The provision of 35 lakhs for probable supplementary grant is explained in paragraph 28.

22. *Surplus Profits paid to Companies and the net earnings of the Indian State Railways.*—The increase of 34·13 lakhs in the revised estimate is based on the actuals, as the amounts paid during a year depend on the actual net earnings of the previous year. It takes into account a little over 8 lakhs to be paid to some Companies' railways as a result of the refund of customs duty on imported stores. The Budget estimate provides for a lower payment chiefly because the management of the East Indian Railway Company has been taken over by the State.

23. *Interest charges.*—The revised estimate anticipates a lapse of 60·17 lakhs on the budget estimate due partly to lower capital expenditure in the current year and partly to a rise in the rate of exchange. The provision for next year is higher than the probable expenditure of this year by 84·80 lakhs due chiefly to the increase in the capital at charge.

24. *Subsidized Companies—Government share of surplus profits.*—The receipts shown under this head represent the Government share of surplus profits on the Rohilkhand and Kumaon and the Southern Punjab Railways and certain Indian Branch Line Companies. The repayments of advances of interest by the Tinnevelly-Quilon Railway (Indian State Section) as well as the credits from the sale of land of the subsidized companies are also carried to this head.

The increase of 3·50 lakhs in the revised estimate for 1924-25 is principally due to an increased share of surplus profits from the Southern Punjab Railway.

The Budget estimate for 1925-26 provides for an increase of 1·27 lakhs over the revised estimate mainly due to the increase anticipated in the Government share of surplus profits of the Southern Punjab Railway and the Indian Branch Line companies in the Punjab.

25. *Subsidized Companies' Land and Subsidy and Miscellaneous Railway Expenditure.*—These consist of the cost of land required by certain railway companies entitled under the terms of their contracts to free supply of land and of miscellaneous items, such as cost of controlling establishments, including the Railway Board. The detailed estimate for the Railway Board includes a provision for probable supplementary grant for Rs. 40,000 to meet the cost of the appointment of Director of Finance and allows for a probable savings of Rs. 37,000 to be secured if possible, by affecting economies and retrenchment in expenditure. A share of the cost of control is charged to the working expenses of each of the Railway Companies and the recoveries thus made are adjusted by deduction from the miscellaneous expenditure. The figures relating to this head compare as under:—

[Figures in thousands of rupees.]

Items.	1923-24.	1924-25.		1925-26.
	Actuals.	Budget.	Revised.	Budget.
1. Subsidized Companies—Land and Subsidy .	5,40	16,00	5,00	5,50
2. Miscellaneous Railway Expenditure . .	15,40	22,45	22,20	28,39
Provision for probable supplementary grants	...	...	...	40
Deduct -Probable Savings . . .	...	...	...	37
TOTAL .	20,80	38,45	27,20	33,92

26. *Land and Subsidy.*—The Revised estimate shows a decrease of Rs. 11,00,000 on the budget grant. This is mainly due to the postponement of works on certain railways and delays in land acquisition proceedings The Budget estimate for 1925-26 practically contemplates the same expenditure as in the current year.

27. *Financial results.*—Under the convention passed by the Assembly regarding the separation of the finances, the general revenues are entitled to receive from the Railways a contribution equal to 1 per cent. on the capital at charge in the penultimate year *plus* one-fifth of surplus profits in such penultimate year and one-third of the amount available for transfer to railway reserves in excess of 3 crores. It was, however, specially arranged that the amount to be paid in the current year so far as regards the one per cent. on the capital at charge and one-fifth of surplus profits, should be based upon the actuals of the year 1923-24, and that the same figure should be repeated in the budget for 1925-26. The amount to be paid on account of the one per cent. contribution on the capital at charge in 1923-24 is Rs. 5,40,42,520 while the one-fifth of the surplus profits on account of the year 1923-24 amounts to Rs. 89,99,725, so that the total contribution amounts to Rs. 6,30,42,245. To this figure has to be added one-third of the amount in excess of 3 crores available for transfer to railway reserves after allowing for the loss on strategic lines; so that the net figure of the contribution to general revenues is put at Rs. 5,64,34,736 in 1924-25 and Rs. 5,23,86,403 in 1925-26. The actual payment, so far as commercial lines are concerned in these particular years, is, however, the above

figures for the one per cent. and the one-fifth surplus profits *plus* Rs. 54,82,632, the one-third excess over 3 crores in 1924-25 and Rs. 14,34,299 on the same account in 1925-26 or Rs. 6,85,24,877 in 1924-25 and Rs. 6,44,76,544 in 1925-26. These figures show the actual contributions which, under the convention, have to be made in the current and the budget years; they do not show the contribution on account of the anticipated net receipts in the current and budget years which will have to be made in 1926-27 and 1927-28.

The anticipated net profits of the current year are Rs. 11,24,58,000, of which sum Rs. 1,25,00,000 being a refund of customs duty paid in previous years do not relate to the transactions of the current year. This brings down the real profits of the year to 10 crores as compared with an estimated profit in 1925-26 of Rs. 10,05,95,000. The payment of the one per cent. and one-fifth of surplus profits will absorb Rs. 6,86,76,000 out of the profits of 1924-25 and Rs. 6,85,71,000 out of the profits of 1925-26. The balance of the profit of these two years is thus Rs. 3,12,82,000 and Rs. 3,20,24,000, which is approximately 3 per cent. of the gross earnings.

General matters.

28. *Stores balances.*—The question of the reduction of the stores balances has been exhaustively dealt with in paragraphs 41 to 44 of the Report by the Railway Board on Indian Railways for 1923-24. At the commencement of the current financial year, the total value of the stores held by all railway administrations amounted to 21·58 crores, and by the end of the year it is hoped that the balance will be reduced by 4 crores to 17½ crores.

This reduction of 4 crores includes Rs. 62 lakhs for writing down the value of stores to their market value.

During the next year a further reduction of about 1½ crores in the stores balances is expected and the estimates of capital expenditure have been framed on this assumption. This reduction allows for a debit to revenue of approximately 80 lakhs for writing down prices, of which about 50 lakhs may be regarded as above the normal. Out of the 80 lakhs reduction assumed Rs. 35 lakhs has not been definitely provided for in the Budget appropriation under the Revenue head " operation " but has been shown as a provision for probable supplementary grant.

Although much has been accomplished in the recent past, the Railway Board are convinced that more remains to be done to reduce the actual stocks held by railways of general stores and second hand and unserviceable stores. It has been decided, therefore, to place a selected senior officer on special duty to overhaul in detail the stocks held, *vide* paragraph 32 (*ii*) (*b*).

A summary of stores transactions of railways during 1925-26 is given in Annexure D in the form in which these transactions are shown in the books for each railway. The detailed figures of receipts and issues are based on the programme of expenditure of 32·07 crores proposed by Agents. As stated in paragraph 4 it is anticipated that the actual expenditure of the year will be about 23 crores only. The effect on the stores transactions of the anticipated lapse of 9·17 crores on the Agent's estimate is that both the receipts and issues of stores will be lower by about the same amount in each case than the Agent's estimate; the estimated closing balance will not be affected by reason of such lapse.

29. *Transportation School at Chandausi.*—Considerable progress has been made during the past year in the provision of facilities for training the staff of all classes, attention having been concentrated on equipping the new Transportation School at Chandausi. Certain existing buildings have been adapted for the purpose, and a large number of models and other equipment have been designed and made in railway workshops. The school is now ready to commence work, and it is hoped that the first batch of officers and subordinates will begin their courses on 1st March. The school is to be the central institution for the training of State Railway staff in transportation duties. It will deal directly with the subordinate staff of the Oudh and Rohilkhand Railway and North Western Railway in the same way as the Asansol School deals with the East Indian Railway Staff, and a school will eventually be started on the Great Indian Peninsula Railway for the staff of that railway. The school at Chandausi will also, however, provide instruction courses for officers and for the probationary Traffic Officers of all State Railways. It will be the co-ordinating centre for all training schemes and is expected to be of great assistance in improving the efficiency of transportation staff and also in providing for the systematic training of new recruits.

The location of the school at Chandausi is in the nature of an experiment as the existence of a suitable site and some disused buildings made it possible to make a start there. If and when the functions of the school develop to the extent which the importance of the subject demands, it may be necessary to move to a more suitable locality. In the meantime, however, the commencement of courses next month has been arranged for, and progress is thus assured.

30. *Indianisation.*—Two statements are attached (Annexures A and B) similar to those published with last year's memorandum shewing the position as regards the employment of Indians in the gazetted ranks and the upper subordinate grades on 1st November 1924 compared with the position on 1st November 1923. It will be seen that in the 12 months ending with October 1924, the number of Indians in superior appointments rose from 280 to 310 and of upper subordinates from 1821 to 1929.

A further statement (Annexure C) has been prepared to shew clearly the progress which has been made in this matter in the past few years with additional figures to shew how the position has changed since 1913-14. It will be seen that on the State-managed railways the percentage of Indians in the superior staff has increased from 20·78 in 1920-21 to 24·79 per cent. in 1924, and that while the total number of officers on all class I Railways has increased from 1712 to 1831, *i.e.*, by 119, the number of Europeans has increased from 1409 to 1443, *i.e.*, by 34 and of Indians and Anglo-Indians from 303 to 388, *i.e.*, by 85.

31(*a*). *Railway Board's Establishment.*—During the current year three additional appointments were added to superior establishment, one appointment was added to the Statistical Branch to provide for the increased work in that Branch, and two were created for the Finance and Budget Branch. These two appointments became necessary as a result of the separation of the railway finances from the general finances. One of these two appointments replaced the appointment of Joint Secretary to the Railway Board under the old organisation.

In the year 1925-26 the only change proposed is the provision for the post, which will probably be created, of a Director of Finance.

At the beginning of the current financial year two Indians were employed on the superior establishment of the Railway Board; at the present moment there are seven Indians, including one statutory native of India.

(*b*) *Office Establishment.*—A reorganisation of the office establishment which could not, for various reasons, be undertaken earlier was carried out with effect from the 1st November 1924. The main feature of the reorganisation was to provide permanent posts for a number of employés who had been kept on regularly from year to year on a temporary basis in leave and other vacancies.

32. *Special investigations.*—(*i*) During the current year the Railway Board have made special investigations into various important matters affecting railway administration. Amongst the more important were the following:—

(*a*) *Examination of the Stores Balances of the East Indian and Great Indian Peninsula Railways prior to their being taken under state management.*—A senior Stores Officer who was assisted by an accounts officer, was placed on special duty on each of these railways to make a systematic examination of the stores held by them. The work has been in progress in consultation with the Agents and the Stores Officers of the Companies concerned, and agreement has been reached regarding valuations and balances.

(*b*) *Workshop facilities on the Great Indian Peninsula and Bombay, Baroda and Central India Railways.*—In view of certain proposals for extensions and remodelling of workshops and the provision of additional workshops an examination was made by two State Railway Officers—a Mechanical Engineer and a Civil Engineer—in order to ascertain to what extent the workshop facilities of the Great Indian Peninsula and Bombay, Baroda and Central India Railways could be co-ordinated and used to the best advantage of the two railways. Their report furnished a useful scheme for future development of workshops on the two railways.

(*c*) *Standardization of locomotives and rolling stock.*—The policy of progressive standardization having been adopted as explained in the Report by the Railway Board on Indian Railways for 1923-24, technical committees have been appointed to deal with the standardization of locomotives and rolling stock.

(*i*) The Locomotive Standards Committee appointed in the previous year continued its work during the current year and is intended to be a permanent body called together when necessary to deal with improvements and alterations to standard types. The Committee's report on new standard engines was received and referred to all railways and the Consulting Engineers for opinions. Recently the committee reassembled and discussed their proposals with one of the Consulting Engineers who was in India. The next step is to have complete drawings prepared, after which sample locomotives of each type will be obtained for working trials before the designs are finally adopted.

(*ii*) A Carriage and Wagon Standards Committee has been appointed and is now engaged in revising the standards for coaching underframes, steel wagons and other types of rolling stock. This committee is also intended to be a permanent body and

will in future advise the Railway Board on modifications to be made in standard designs in order to ensure progress and uniformity.

(*d*) *Bridge and Track Committees.*—It is intended to have permanent technical committees to deal with all questions of bridge design and track standards:—

(*i*) The Track Committee has been appointed and is at present engaged in preparing standard drawings for points and crossings and other more general questions referring to standard practice in regard to permanent-way.

(*ii*) The Bridge Committee will shortly be appointed and certain important questions regarding the design and strength of bridges will be dealt with by them. Their work will be co-ordinated with that of the Track Committee and also that of the Locomotive Standards Committee.

(*e*) *Extended use of timber other than teak for carriage building.*—An experienced carriage and wagon department officer was placed on special duty to investigate the possibilities of utilising timbers produced in India other than teak for carriage building. He also enquired into the feasibility of treatment and artificial seasoning, utilising the information available at the Debra Dun Forest Research Institute. His report has just been received and contains some valuable suggestions.

(*ii*) (*a*) During the coming year it is intended to appoint special officers to deal with certain important traffic problems in connection with terminal traffic both goods and passengers in Bombay and Calcutta. In each city it is necessary to take a comprehensive view of the traffic requirements of the future, and these enquiries must be taken in hand at once.

(*b*) In connection with the problem of reducing stores balances, a special stores officer has been appointed and will commence an investigation at once of the stores balances on State Railways with a view to the transfer and disposal of surplus and unserviceable stocks. His services will also be made available to Company-managed Railways in the same connection.

C. D. M. HINDLEY,
Chief Commissioner for Railways.

G. G. SIM,
Financial Commissioner, Railways.

DELHI:
Dated the 26th March 1925.

ANNEXURE A.

STATEMENT OF OFFICERS OF GAZETTED RANK ON STATE-WORKED RAILWAYS AND OF CORRESPONDING RANK ON COMPANY-WORKED RAILWAYS ON 1st NOVEMBER 1923 AND 1924.

ANNEX

Statement of Officers of Gazetted rank on State-worked Railways and of

N. B.—The 1923 figures are revised figures and the North-Western Railway

Item.	Assam Bengal Railway.		Bengal Nagpur Railway.		Bengal and North-Western Railway.		Bombay, Baroda and Central India Railway.		Burma Railways.		Eastern Bengal Railway.	
	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.
1	2	3	4	5	6	7	8	9	10	11	12	13
Agency Department—												
Europeans	2	2	5	4	2	2	6	7	3	3	2	3
Anglo-Indians	...	...	1	1	...	...	...	...	1	1	1	...
Muslims	...	..	...	...	..	..	.	.	...	...	...	...
Non-Muslims	...	...	1	1	...	...	...	...	...	...	...	...
Total	2	2	7	6	2	2	6	7	4	4	3	3
2. Engineering Department—												
Europeans	20	20	60	68	20	20	46	53	35	33	32	26
Anglo-Indians	...	..	9	8	...	...	1	1	3	3	3	3
Muslims	1	1	3	3	...	...	1	...	...	...	1	...
Non-Muslims	1	1	8	11	...	...	7	8	1	1	16	17
Total	22	22	80	90	20	20	55	62	39	37	52	46
3. Traffic Department—												
Europeans	11	10	33	35	15	15	36	36	21	22	27	25
Anglo-Indians	1	1	2	2	...	...	2	2	2	2	...	...
Muslims	...	...	2	2	1	1	...	...	...	...	2	2
Non-Muslims	1	1	9	9	2	2	7	7	2	3	9	10
Total	13	12	46	48	18	18	45	45	25	27	38	37
4 Locomotive and Carriage and Wagon Department—												
Europeans	8	8	28	27	9	10	27	30	17	17	19	19
Anglo-Indians	...	...	...	1	...	...	1	1	...	...	...	...
Muslims	.	..	...	...	...	...	...	...	...	...	...	...
Non-Muslims	1	1	.	..	...	...	...	...	...	...	2	2
Total	9	9	28	28	9	10	28	31	17	17	21†	21†

* Includes Transportation and

†Includes Electrical

URE A.

corresponding rank on Company-worked Railways on 1st November 1923 and 1924.

figures have been regrouped due to the divisional system of organisation.

East Indian Railway.		Great Indian Peninsula Railway.		Madras and Southern Mahratta Railway.		North-Western Railway.		Oudh and Rohilkhand Railway.		Rohilkund and Kumaon Railway.		South Indian Railway.		Total.	
1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.
14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
6	7	7	5	5	4	7	43	2	2	2	1	2	3	53	861
...	1	...	...	...	...	...	4	...	...	...	.	1	.	4	7
...	...	...	...	...	...	3	4	...	1	...	...	...	...	8	5
2	3	..	...	1	2		9	...	...	...	...	1	1		16
10	11	7	5	6	6	10	60	2	3	2	1	4	4	65	114
50	48	70	64	41	43	66	57	15	16	6	5	32	39	403	402
1	1	1	1	1	1	7	3	1	1	...	...	...	...	27	22
1	1	4	3	...	...	39	...	...	...	...	.	1	1	121	9
10	12	6	9	4	4		30	11	9	...	...	6	7		109
62	62	81	77	46	48	112	90	27	26	6	5	39	47	641	632
45	45	58	60	22	24	46	34	14	15	2	2	21	18	331	341
9	7	6	4	2	2	1	...	1	2	...	...	...	1	26	33
2	3	...	...	1	1	15	6	7	8	...	...	...	...	85	23
12	12	6	6	4	5		6	1	...	...	...	2	3		64
68	67	70*	70*	29	32	62	46	23	25	2	2	23	22	462	451
38	36	25	30	21	22	59	31	12	12	4	2	14	15	281	259
1	1	...	...	...	..	...	1	...	...	...	...	...	...	2	4
...	...	...	...	...	...	...	...	...	...	...	...	...	...	6	...
3	6	...	...	...	...	...	2	...	...	...	...	.	...		11
42	43	25	30	21	22	59	34	12	12	4	2	14	15	289	274

Commercial Departments.
Department.

ANNEX

Item.	Assam Bengal Railway.		Bengal Nagpur Railway.		Bengal and North-Western Railway.		Bombay, Baroda and Central India Railway.		Burma Railways.		Eastern Bengal Railway.	
	1923.	1924.	1923.	1924.	1923.	1924.	1923	1924.	1923.	1924.	1923.	1924.
1	2	3	4	5	6	7	8	9	10	11	12	13
5. Stores Department—												
Europeans	1	1	5	7	1	1	7	7	2	2	5	4
Anglo-Indians	...	...	...	...	...	...	...	...	1	1	1	1
Muslims	...	...	...	...	...	...	...	...	...	...	...	...
Non-Muslims	...	...	1	1	...	...	...	...	1	1	1	1
Total	1	1	6	8	1	1	7	7	4	4	7	6
6. Other Departments—												
Europeans	11	11	27	25	6	6	23	22	12	12	5	4
Anglo-Indians	1	1	...	..	...	...	3	3	...	...	2	1
Muslims	...	...	...	...	...	...	...	...	...	...	...	1
Non-Muslims	2	3	3	4	1	1	4	7	1	1	5	5
Total	14	15	30	29	7	7	30	32	13	13	12	11
7. Total (All Departments)—												
Europeans	53	52	158	166	53	54	145	155	90	89	90	81
Anglo-Indians	2	2	12	12	...	...	7	7	7	7	7	5
Muslims	1	1	5	5	1	1	1	...	...	...	3	3
Non-Muslims	5	6	22	26	3	3	18	22	5	6	33	35
Total	61	61	197	209	57	58	171	184	102	102	133	124
8. Percentage of Total—												
Indians	9·84	11·48	13·71	14·83	7·02	6·89	11·11	11·95	4·90	5·88	27·07	30·65
Anglo-Indians and Indians	13·11	14·75	19·80	20·57	7·02	6·89	15·20	15·76	11·76	12·75	32·33	34·33
Muslims	1·64	1·64	2·54	2·39	1·75	1·72	0·58	...	...	...	2·26	2·42
Non-Muslims	8·20	9·81	11·17	12·44	5·26	5·17	10·53	11·95	4·90	5·88	2·81	28·23

URE A.—*contd.*

East Indian Railway.		Great Indian Peninsula Railway.		Madras and Southern Mahratta Railway.		North-Western Railway.		Oudh and Rohilkhand Railway.		Rohilkund and Kumaon Railway.		South Indian Railway.		Total.*	
1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924
14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
4	5	8	10	5	6	10	11	4	4	...	...	3	3	55	61
1	...	...	...	...	...	1	...	...	...	...	...	2	2	6	4
...	...	...	...	...	...	2	...	...	...	...	...	...	...	7	...
...	...	...	...	1	...		2	1	1	...	...	...	...		6
5	5	8	10	6	6	13	13	5	5	...	...	5	5	68	71
54	52	28	28	21	20	9	9	3	1	3	4	10	10	212	204
3	4	1	...	1	1	7	7	...	.	...	...	1	1	19	18
1	1	...	...	...	...	9	1	1	2	...	..	...	...	53	5
5	5	7	7	6	6		13	4	5	2	2	2	3		62
63	62	36	35	28	27	25	30	8	8	5	6	13	14	284	289
199	193	196	197	115	119	197	185	50	50	17	14	82	88	1,445	1,443
15	14	8	5	4	4	16	15	2	3	...	...	4	4	84	78
4	5	4	3	1	1	68	11	8	11	...	...	1	1	280	42
32	38	19	22	16	17		62	17	15	2	2	11	14		268
250	250	227	227	136	141	281	273	77	79	19	16	98	107	1,809	1,831
14·40	17·20	10·13	11·01	12·50	12·77	24·20	26·74	32·47	32·91	10·52	12·50	12·24	14·02	15·48	16·93
20·40	22·80	13·66	13·21	15·44	15·60	20·89	32·23	35·06	36·71	10·52	12·50	16·33	17·75	20·12	21·19
1·60	2·00	1·76	1·32	0·74	0·71	24·20	4·03	10·39	13·92	...	...	1·02	0·94	15·48	2·29
12·80	15·20	8·37	9·69	11·76	12·06		22·71	22·08	18·99	10·52	12·50	11·22	13·08		14·64

ANNEX

II.—Statement of higher paid subordinate staff employed on State-worked

(a) Subordinates drawing Rs. 250 per mensem and over or on

Item.	Assam Bengal Railway.		Bengal Nagpur Railway.		Bengal and North-Western Railway.		Bombay, Baroda and Central India Railway.		Burma Railways.		Eastern Bengal Railway.	
	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Agency Department—												
Europeans	..	..	2	2	.	...	1	1	...	...	4	4
Anglo-Indians	1	1	...	...	1	1	1	1	6	5	2	2
Muslims	..		...	...		...	3	2	...	...	...	...
Non-Muslims	4	4	4	3	1	1	5	8	3	3	3	2
Total	5	5	6	5	2	2	10	12	9	8	9	8
2. Engineering Department—												
Europeans	6	5	13	13	7	7	16	16	4	2	13	13
Anglo-Indians	6	7	59	59	15	16	15	14	37	28	24	23
Muslims	3	3	14	16	...	...	12	10	2	2	3	3
Non-Muslims	5	7	97	96	5	4	104	109	41	42	30	36
Total	20	22	183	184	26	27	147	148	74	74	80	75
3. Traffic Department—												
Europeans	6	6	31	35	9	9	52	57	5	3	51	40
Anglo-Indians	11	11	78	71	7	7	18	21	37	38	37	42
Muslims	...	...	1	2	1	1	6	5	...	...	...	1
Non-Muslims	2	2	14	11	3	1	110	117	17	19	21	31
Total	19	19	124	119	20	18	185	200	59	60	109	113
4. Locomotive and Carriage and Wagon Departments—												
Europeans	10	9	265	273	13	13	214	218	28	28	78	70
Anglo-Indians	10	10	214	223	10	20	244	235	77	81	58	62
Muslims	1	1	...	1	1	1	1	1	1	1	...	1
Non-Muslims	3	3	13	12	...	..	43	50	6	4	15	15
Total	24	23	492	509	33	34	502	507	112	114	(2)151	(2)148

NOTE.—(1) Includes transportation and Commercial Departments.
(2) Includes Electrical

URE B.

Railways and on Company-worked Railways on 1st November 1923 and 1924.

scales of pay rising to Rs. 250 per mensem and over.

East Indian Railway.		Great Indian Peninsula Railway.		Madras and Southern Mahratta Railway.		North-Western Railway.		Oudh and Rohilkhand Railway.		Rohilkund and Kumaon Railway.		South Indian Railway.		Total	
1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.
14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
1	1	3	4	..	.	2	14	1	1					14	27
...		1	...	1	1	...	4	1	.			1	1	15	16
...	..	.	...	...	...	4	13	.		.				47	15
6	8	5	6	8	2		26	2	3	1	1	3	1		70
7	9	9	10	4	3	6	57	4	4	1	1	4	4	76	[illegible]
65	60	47	54	12	14	41	53	14	12	2	2	6	9	[illegible]	[illegible]
93	114	31	31	24	27	42	33	20	21	2	2	17	21	174	[illegible]
6	7	11	12	...	...	174	53	.		1	1		1	[illegible]	[illegible]
73	80	48	54	12	13		95	18	21	..		2	13		170
237	261	137	151	48	54	257	234	53	54	5	5	20	44	[illegible]	[illegible]
174	164	370	331	9	9	133	132	34	30	1	1	13	12	[illegible]	[illegible]
154	157	342	315	15	16	66	53	23	24	5	5	7	7	[illegible]	767
6	5	...	2	..	...	40	5	5	6	...	..	1	1	[illegible]	28
28	31	96	78	1	1		39	19	26			13	11		357
362	357	(1) 808	(1) 726	25	26	239	229	81	86	6	6	34	31	2,081	1,960
531	517	115	169	58	58	240	210	35	36	3		43	39	[illegible]	[illegible]
357	396	68	70	80	112	141	151	49	57	4	4	118	114	[illegible]	[illegible]
1	2	4	2	2	2	83	36	1	3	..	...	.	.	241	51
17	19	29	37	...	2		83	2	3	3	4	15	17		249
906	934	216	218	140	174	464	480	87	99	10	11	175	170	3,312	3,421

Great Indian Peninsula Railway.
Department.

ANNEX

Item,	Assam Bengal Railway.		Bengal Nagpur Railway.		Bengal and North-Western Railway.		Bombay, Baroda and Central India Railway.		Burma Railways.		Eastern Bengal Railway.	
	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.
1	2	3	4	5	6	7	8	9	10	11	12	13
5. *Stores* Department—												
Europeans	...	...	6	6	...	..	1	1	..	...	2	2
Anglo-Indians	1	1	4	4	1	1	3	3	...	...	5	5
Muslims	...	...	...	...	...	...	...	1	...	...	...	...
Non-Muslims	...	...	6	6	...	...	8	7	3	3	4	5
Total	1	1	16	16	1	1	12	12	3	3	11	12
6. Other Departments—												
Europeans	2	3	45	46	2	5	10	11	2	2	1	1
Anglo-Indians	4	4	51	58	8	9	27	29	7	7	21	22
Muslims	...	...	1	1	...	...	5	5	5	5	...	...
Non-Muslims	5	6	46	47	5	6	80	78	29	29	37	32
Total	11	13	143	152	15	20	122	123	43	43	59	55
7. Total (All Departments)—												
Europeans	24	23	362	375	31	34	294	303	39	35	149	139
Anglo-Indians	33	34	406	415	51	54	308	306	154	159	151	156
Muslims	4	4	16	20	2	2	27	24	8	8	3	5
Non-Muslims	19	22	180	175	13	12	359	369	99	100	116	111
Total	80	83	964	985	97	102	988	1,002	300	302	419	411
8. Percentage of Total—												
Indians	28·75	31·33	20·33	19·79	15·46	13·72	39·06	39·22	35·67	35·76	28·40	28·22
Anglo-Indians and Indians	70·00	72·29	62·45	64·92	68·04	66·67	70·24	69·76	87·00	88·41	64·44	66·18
Muslims	5·00	4·82	1·66	2·03	2·06	1·96	2·73	2·40	2·67	2·65	0·72	1·22
Non-Muslims	23·75	26·51	18·67	17·76	13·40	11·76	36·33	36·82	33·00	33·11	27·68	27·01

URE B.—*contd.*

East Indian Railway.		Great Indian Peninsula Railway.		Madras and Southern Mahratta Railway.		North-Western Railway.		Oudh and Rohilkhand Railway.		Rohilkund and Kumaon Railway.		South Indian Railway.		Total.	
1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.
14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
13	14	6	6	2	2	8	7	2	..	..	...	...	...	40	38
6	5	1	1	...	2	6	5	4	5	...	...	2	2	33	34
...	...	...	...	...	...	27	7	1	2	...	...	...	...	67	10
5	4	5	5	2	2		20	5	7	.	...	1	1		60
24	23	12	12	4	6	41	39	12	14		...	3	3	140	142
75	80	16	18	3	4	3	2	2	2	1	1	1	1	163	176
45	42	16	14	12	13	9	12	5	5	1	...	4	5	210	220
2	2	...	...	...	...	50	9	...	...	...	...	...	...	407	22
51	50	43	42	10	9		52	18	17	1	2	19	19		389
173	174	75	74	25	26	62	75	25	24	3	3	24	25	790	807
859	836	557	522	84	87	427	418	88	81	7	7	62	61	2,983	2,921
655	714	459	431	132	171	264	258	102	112	12	11	144	150	2,871	2,971
15	16	15	16	2	2	378	123	7	11	1	1	1	2	1,821	234
180	192	226	222	28	29		315	64	77	5	7	53	64		1,695
1,709	1,758	1,257	1,191	246	289	1,069	1,114	261	281	25	26	260	277	7,675	7,821
11·41	11·83	19·17	19·98	12·19	10·73	35·30	39·32	27·20	31·32	24·00	30·76	20·76	23·82	23·73	24·66
49·74	52·45	55·69	56·17	65·85	69·90	60·06	62·48	66·28	71·17	72·00	73·07	76·15	77·98	61·13	62·65
0·88	0·91	1·19	1·34	0·81	0·69	35·36	11·04	2·68	3·91	4·00	3·85	0·38	0·72	23·73	2·99
10·53	10·92	17·98	18·64	11·38	10·03		28·28	24·52	27·40	20·00	26·91	20·38	23·10		21·67

ANNEX

Comparative statement of superior staff employed

Railways.	Europeans.					Anglo-Indians.				
	1920-21.	1921-22.	1st November 1922.	1st November 1923.	1st November 1924.	1920-21.	1921-22.	1st November 1922.	1st November 1923.	1st November 1924.
Eastern Bengal	88	86	83	90	81	11	14	8	7	5
East Indian	184	193	194	199	193	14	13	20	15	14
North Western	180	179	184	197	185	11	12	12	16	15
Oudh and Rohilkhand	52	49	50	50	50	5	6	4	2	3
Total	504	507	511	536	509	41	45	44	40	37
Assam Bengal	53	51	51	53	52	2	2	2	2	2
Bengal Nagpur	154	169	143	158	166	7	9	6	12	12
Bengal and North Western	53	57	53	53	54	...	1	2	...	...
Bombay, Baroda and Central India	142	147	145	145	155	8	8	6	7	7
Burma	89	85	89	90	89	1	1	5	7	7
Great Indian Peninsula	203	205	201	196	197	8	9	10	8	5
Madras and Southern Mahratta	115	119	115	115	119	2	1	4	4	4
Rohilkund and Kumaon	22	20	16	17	14	1	1	1	...	...
South Indian	74	77	83	82	88	3	3	4	4	4
Total	905	930	896	909	934	32	35	40	44	41
Grand Total	1,409	1,437	1,407	1,445	1,443	73	80	84	84	78

In 1913-14.

Railway.	Total.	Indian.	Percentage Indians of total.
Eastern Bengal	134	19	14·18
North Western	228	21	9·21
Oudh and Rohilkhand	75	10	13·33
Total	437	50	11·44

URE C.

on State-owned Class I Railways.

Indians.					Total.					Percentage Indians of Total.				
1920-21.	1921-22.	1st November 1922.	1st November 1923.	1st November 1924.	1920-21.	1921-22.	1st November 1922.	1st November 1923.	1st November 1924.	1920-21.	1921-22.	1st November 1922.	1st November 1923.	1st November 1924.
31	28	33	36	38	130	128	124	133	124	23·8	21·87	26·61	27·07	30·65
34	36	36	36	43	232	241	250	250	250	14·7	14·52	14·40	14·40	17·20
68	51	63	68	73	249	242	259	281	273	23·3	21·07	24·32	24·20	26·74
20	24	27	25	26	77	70	81	77	79	25·97	30·38	33·33	32·47	32·91
143	138	159	165	180	688	690	714	741	726	20·78	20·00	22·27	22·27	24·79
5	5	5	6	7	60	58	58	61	61	8·33	8·62	8·62	9·84	11·48
21	20	20	27	31	182	207	178	197	209	11·54	14·01	16·29	13·71	14·83
2	4	5	4	4	55	62	60	57	58	3·64	6·45	8·33	7·02	6·89
19	21	19	19	22	169	176	170	171	184	11·24	11·93	11·18	11·11	11·95
2	3	5	5	6	92	89	99	102	102	2·17	3·37	5·05	4·90	5·89
16	18	22	23	25	227	232	233	227	227	7·05	7·76	9·44	10·13	11·01
12	14	16	17	18	120	134	135	136	141	9·30	10·45	11·85	12·50	12·77
2	3	1	2	2	25	24	18	19	16	8·00	12·50	5·56	10·53	12·50
8	10	13	12	15	85	90	100	98	107	9·41	11·11	13·00	12·24	14·02
87	107	115	115	130	1,024	1,072	1,051	1,068	1,105	8·50	9·98	10·94	10·77	11·76
230	245	274	280	310	1,712	1,762	1,765	1,809	1,831	13·43	13·90	15·52	15·48	16·93

ANNEXURE D.

Statement showing the anticipated stores transactions of State-owned Railways during 1925-26.

(Figures in thousands of rupees.)

DEBITS.			CREDITS.		
Opening Balance		17,50,00	ISSUES.		
RECEIPTS.			*I.—To Capital Works—*		
I.—England—			Structural Engineering Works	5,65,75	
Value of English Stores at 2*s.* to the rupee—			Locomotive Works—Plant	89,25	
Capital Stores	6,66,90		Colliery Works	1,23,00	
Stores for renewals and replacements	2,16,81		Total	...	7,78,00
Ordinary Revenue Stores	1,73,93		*II.—To Capital Manufacture Suspense—*		
	10,57,64		Locomotive Workshops	8,03,70	
Home Charges	19,16		Carriage and Wagon Workshops	9,34,41	
Total England	10,76,80		Electrical Workshops, collieries and other manufactures	1,81,89	
II.—India—			Total	...	19,20,00
(1) Exchange	3,59,00		*III.—To Revenue Works and works of renewals and replacements—*		
(2) Indian charges on English Stores	1,07,48		Renewal and replacement	5,92,83	
(3) Fuel	6,90,96		Revenue Works	10,88,54	
(4) Timber	1,11,85		Total	...	16,81,37
(5) Permanent-way materials	4,49,17		*IV.—Sales and Transfers*	...	1,80,84
(6) General Stores	7,65,60		TOTAL ISSUES DURING THE YEAR		45,60,21
(7) Miscellaneous Departmental Materials	1,48,00		*Deduct*—Gain by exchange		1,56,57
(8) Receipt from Manufacture into Stores	3,76,53		TOTAL NET CREDITS DURING THE YEAR		44,03,64
(9) Materials and Stores returned from Works	1,61,54		Anticipated Balance at close of the year		16,00,00
(10) Other Debits	6,71		GRAND TOTAL		60,03,64
Total India	31,76,84				
TOTAL RECEIPTS	42,53,64				
GRAND TOTAL	60,03,64		Reduction in stores balances (17,50,00—16,00,00)		1,50,00

APPENDIX I.

Capital at charge on State Railways at end of 1922-23, capital expenditure during 1923-24 and estimated capital expenditure in 1924-25 and 1925-26.

Railways.	To end of 1922-23.	Accounts, 1923-24.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.	To end of 1925-26.	Remarks.
Open Lines.						
State Railways worked by State—						
Aden	14,04,837	98,878	—7,000	—5,000	14,91,715	
Eastern Bengal	42,78,23,752	67,29,149	38,60,000	83,30,000	44,67,42,901	
East Indian including (South Bihar)	24,12,40,066	2,86,58,978	2,26,80,000	5,87,03,000	1,37,30,28,972	
Oudh and Rohilkhand	30,93,74,675	91,79,253	31,33,000			
Great Indian Peninsula	...	..	...	3,89,18,000	3,89,18,000	
Agra Delhi Chord	...	...	...	1,13,000	1,13,000	
Bhopal State	...	...	...	13,000	13,000	
Cawnpore Banda	...	...	..	24,000	34,000	
Jodhpur Hyderabad	48,36,077	3,18,920	2,11,000	3,68,000	57,23,997	
North Western	80,61,25,413	1,69,24,482	73,82,000	1,17,75,000	84,22,06,895	
Strategic Lines	26,93,12,422	17,93,635	19,54,000	19,50,000	27,49,10,057	
Stores transactions	1,49,71,271	66,68,005	19,56,000	...	2,35,95,276	
Abandoned projects	32,86,316	...	...	..	32,86,316	
Total State Railways worked by State	2,77,83,74,829	7,03,71,300	4,11,69,000	12,01,49,000	3,01,00,64,129	
State Railways worked by Companies—						
Assam Bengal	18,41,86,534	23,10,507	13,03,000	24,77,000	19,03,67,031	
Bengal Nagpur	55,72,11,141	2,57,22,543	2,16,29,000	3,37,32,000	63,82,94,084	
Bengal and North Western (Tirhut)	8,52,78,159	21,95,581	15,00,000	15,00,000	9,04,73,740	
Bezwada Extension	13,95,989	77,012	2,41,000	50,000	17,64,001	
Bombay, Baroda and Central India	61,55,82,514	1,59,08,332	1,93,10,000	3,67,78,000	68,75,78,846	
Burma (Main Line)	21,78,56,566	67,08,817	34,99,000	44,80,000	23,59,14,804	
Burma Extensions		16,28,421	1,45,000	14,17,000		
Southern Shan States	1,68,15,279	2,43,457	30,000	25,000	1,71,13,736	
Great Indian Peninsula	92,20,65,224	88,00,541	77,24,000	...	93,85,89,765	
Agra Delhi Chord	1,50,77,364	6,605	1,60,000	...	1,52,43,969	
Baran Kotah	49,59,057	42,559	1,10,000	...	51,11,616	
Bhopal State	45,37,148	44,430	—3,83,000	...	41,98,578	
Cawnpore Banda	82,09,700	96,461	87,000	...	83,93,161	
Madras and Southern Mahratta	48,62,89,675	62,22,192	68,51 000	1,82,00.000	51,75,62,867	
Dhone Kurnool	10,18,342	...	...	5,000	10,23,342	
Guntur Tenali	...	140	...	10,000	10,140	
Rohilkund and Kumaon (Lucknow Bareilly)	1,62,54,024	—1,69,125	—1,00,000	—14,000	1,59,70,899	

APPENDIX —*contd.*

Railways.	To end of 1922-23.	Accounts, 1923-24.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.	To end of 1925-26.	Remarks.
Open Lines—*contd.*						
State Railways worked by Companies—*contd.*						
South Indian	22,16,71,688	80,01,732	48,76,000	1,30,02,000	25,05,54,420	
Tinnevelly Quilon (British Section)	44,07,126	46,566	3,68,000	3,69,000	51,90,692	
Tinnevelly (Indian State Section)	1,33,57,260	2,06,028	2,17,000	1,49,000	1,39,30,188	
Coonoor Ootacamund	49,29,329	1,10,238	71,000	12,000	51,22,564	
Total State Railways worked by Companies	3,38,10,97,106	7,84,06,937	6,77,28,000	11,51,72,000	3,64,24,04,043	
Total Open Lines	6,15,94,71,935	14,87,78,237	10,88,97,000	23,53,21,000	6,65,24,68,172	
Lines under construction.						
State Railways worked by State—Central Indian Coal Fields	...	...	35,00,000	1,96,69,000	2,31,69,000	
North Western—Narowal Amritsar Connection	...	...	...	20,00,000	20,00,000	
Strategic Lines—Khyber Railway Construction	1,39,39,101	72,12,514	42,18,000	10,00,000	2,63,69,705	
Oudh and Rohilkhand—Rikhikesh Road Rikhikesh	...	...	4,00,000	8,62,000	12,62,000	
East Indian—Chandrapura Gomoh	...	1,01,344	10,25,000	4,65,000	15,91,344	
Calcutta Chord	...	...	...	17,00,000	17,00,000	
Great Indian Peninsula—Bombay Harbour Branch	...	...	..	95,000	95,000	
Majri Rajur	...	...	...	1,50,000	1,50,000	
Total State Railways worked by State	1,39,39,101	73,13,858	91,43,000	2,59,41,000	5,63,37,049	
State Railways worked by Companies—						
Assam Bengal—						
Sibsagar Road Khawang	...	...	8,75,000	10,31,000	19,06,050	
Furkating Badulipara Jorhat	...	...	...	15,61,000	15,61,000	
Jharia Jhanjail Bagmara	...	...	...	16,00,000	16,00,000	
Karimganj Longai Valley	...	...	...	16,50,000	16,50,000	
Bengal Nagpur—						
Vizagapatam Harbour	20,24,008	11,44,760	11,41,000	—43,10,000	—232	
Raipur Parvatipur	...	12,155	...	1,34,00,000	1,34,12,155	
Tumsur Road Tirodi	...	..	...	20,66,000	20,66,000	
Amda Jamda	98,23,731	23,31,572	20,73,000	5,88,000	1,48,16,303	
Talchir Coal Fields	3,91,222	17,68,375	47,22,000	18,39,000	87,20,597	
Hesla Chandil	2,48,980	10,07,494	45,22,000	90,00,000	1,47,78,474	
Argada Branch	..	...	2,95,000	1,84,000	4,79,000	

APPENDIX I—*concld.*

Railways.	To end of 1922-23.	Accounts, 1923-24.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.	To end of 1925-26	Remarks.
Lines under construction—*contd.*						
State Railways worked by Companies—*contd.*						
Bengal Nagpur—*contd.*						
Guttitangar Branch	...	...	22,000	5,21,000	5,43,000	
Ghordeva Coal Fields	...	...	...	27,82,000	27,82,000	
Bokaro Ramgarh Extension :—						
Bengal Nagpur Railway share	13,42,888	8,46,814	3,76,000	1,70,000	27,35,702	
East Indian Railway share	13,12,423	4,41,667	5,34,000	..	22,87,490	
South Karanpura Coal Fields :—						
Bengal Nagpur Railway share	5,79,287	7,42,885	9,23,000	4,98,000	27,43,172	
East Indian Railway share	3,25,273	6,26,775	8,59,000	...	18,11,048	
Bombay, Boroda and Central India :—						
Dhoika Dhanduka	21,03,305	6,63,891	5,50,000	1,50,000	34,67,196	
Burma—						
Pauktaw Mingladon	...	4,140	4,00,000	6,00,000	10,04,140	
Pyinmana Taungdwingyi	...	59,02,872	16,97,000	5,05,000	81,04,872	
Moulmein-Ye	...	79,56,580	26,97,000	5,75,000	1,12,28,580	
Alon-Ye-U	...	25,46,850	4,42,000	5,38,000	35,26,850	
Pegu-Kayan	...	5,06,350	16,91,000	12,70,000	34,67,350	
Haho Tayaw	...	...	...	11,50,000	11,50,000	
Mandalay, Madava	...	...	...	11,00,000	11,00,000	
Taungdwingyi Kyauk Padaung	...	...	...	21,00,000	21,00,000	
Taungdwingyi Magwe	...	.	...	4,00,000	4,00,000	
Myingyan Natogyi Paleik	...	...	...	11,00,000	11,00,000	
Ye-Sinbyubyin	...	...	..	21,00,000	21,00,000	
Great Indian Peninsula :—						
Itarsi Nagpur	3,09,45,681	5,90,229	36,46,000	...	3,51,81,910	
Bombay Harbour Branch	69,37,770	7,87,632	5,56,000	...	82,81,402	
Majri Rajur	12,98,942	9,24,903	3,98,000	...	26,21,845	
South Indian—						
Villupuram Trichinopoly	...	3,925	2,41,000	80,00,000	82,44,925	
Virudungar Tenkasi	...	...	4,00,000	38,00,000	42,00,000	
Shoranur Nilambar	...	15,309	14,00,000	28,00,000	42,15,309	
Dindigul Pollachi	...	...	...	4,00,000	4,00,000	
Trichinopoly Karaikudi	...	...	...	3,00,000	3,00,000	
Total State Railways worked by Companies	5,73,33,510	2,88,24,587	3,04,60,000	5,94,68,000	17,60,86,097	
Total Lines under Construction	7,12,72,701	3,61,38,445	3,96,03,000	8,54,09,000	23,24,23,146	
Total Open Lines and Construction	6,23,07,44,636	18,49,16,682	14,85,00,000	32,07,30,000	6,88,48,91,318	
Deduct—Probable savings	...	...	2,00,00,000	9,17,30,000	11,17,30,000	
Add—Provision for probable supplementary grant	...	...	...	10,00,000	10,00,000	
Net	6,23,07,44,636	18,49,16,682	12,85,00,000	23,00,00,000	6,77,41,61,318	

APPENDIX II.

Gross receipts, working expenses, and net receipts of State Railways for five years ending 1923-24, with Revised Estimates for 1924-25 and Budget Estimates for 1925-26.

(Omitting 000, except in Accounts.)

State Railways.	Accounts.					Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.		
	M.	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*
Open mileage at beginning of year	26,166	26,580	26,709	26,961	27,162	27,275	27,334
Gross Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
INDIA.							
State Railways worked by the State.							
Eastern Bengal	4,45,45,072	4,61,08,642	4,42,06,630	5,24,50,582	5,34,77,428	6,00,00	6,00,00
North Western—							
Commercial Lines	12,32,80,625	12,97,73,559	11,34,90,666	12,95,24,443	13,46,96,285	14,80,00	14,95,00
Strategic			1,64,24,789	1,55,26,295	1,71,15,149	1,85,00	1,85,00
East Indian	13,25,76,404	13,84,16,068	13,38,67,673	15,55,59,040	16,23,67,080	16,92,00	20,75,00
Oudh and Rohilkhand	3,14,64,244	3,26,48,785	3,31,34,469	3,84,92,842	3,63,06,369	3,51,00	
State Railways worked by Companies.							
Assam Bengal	1,04,29,675	1,02,65,216	85,15,384	1,20,56,460	1,28,80,228	1,40,00	1,45,00
Bengal Nagpur	6,59,31,392	6,39,37,399	6,67,91,163	7,70,71,210	7,70,93,523	8,20,04	8,50,04
Bombay, Baroda and Central India	9,67,12,806	9,94,16,877	10,25,31,934	11,75,19,333	11,95,42,139	12,30,00	12,80,00
Burma	2,07,14,040						
Burma Railway Extensions	27,14,727	3,26,29,019	3,51,73,283	4,06,98,058	4,11,37,616	4,15,00	4,40,00
Southern Shan States	5,29,400						
Great Indian Peninsula including Indian Midland	12,69,42,370	12,79,35,857	12,61,70,645	14,11,38,133	13,84,75,334		
Agra-Delhi Chord	46,98,873	50,30,667	47,67,855	50,84,396	45,92,319		
Bhopal	11,00,906	12,76,267	12,06,962	12,97,300	13,43,631	15,25,00	16,10,00
Barar-Kotah	1,88,936	1,62,889	1,77,242	2,11,961	12,20,482		
Cawnpore-Banda	3,73,187	3,87,254	4,50,307	4,78,269	4,78,115		
Madras and Southern Mahratta Railway.	5,73,05,956	6,22,45,540	6,55,08,869	7,08,13,554	7,37,33,886		
Mysore State lines	41,36,445					7,70,58	7,84,40
Dhone-Kurnool	1,76,829	1,82,083	1,85,177	1,89,230	2,21,215		
South Indian	4,01,48,113	4,27,06,578	4,59,62,936	5,10,28,726	5,27,06,168	5,20,00	5,40,00
Tinnevelly-Quilon	18,44,613						
Other Railways	1,61,44,623	1,66,51,233	1,83,11,384	2,10,74,316	2,01,60,376	2,19,00	2,24,00
Total Central	79,01,40,545	80,97,75,283	81,66,27,377	93,32,14,218	94,65,52,343	99,56,62	1,02,56,44
India	79,01,40,545	80,92,80,163	81,64,42,250	93,17,30,856	94,60,69,516	99,52,00	1,02,50,00
England	7,29,165	4,56,070	4,85,127	4,93,362	4,82,827	4,83	4,83
Exchange	...	...	...	...	...	1,79	1,81

APPENDIX II—*contd.*

State Railways.	Accounts.					Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Working Expenses.							
INDIA.							
State Railways worked by the State.							
Eastern Bengal	3,02,66,454	2,98,24,284	3,76,49,787	4,40,77,284	3,95,73,311	4,27,23	4,40,71
North Western—							
Commercial lines	8,04,38,819	10,09,84,480	10,33,44,038	10,06,08,361	9,11,31,786	9,45,58	10,27,00
Strategic lines			2,46,08,721	2,22,33,936	1,89,67,892	2,17,00	2,17,26
East Indian	5,88,77,044	7,40,71,007	8,57,40,108	10,01,22,354	9,08,39,844	9,63,71	12,63,56
Oudh and Rohilkhand	1,82,62,800	1,94,62,004	2,58,18,184	2,61,64,731	2,37,50,107	2,66,56	
State Railways worked by Companies.							
Assam Bengal	84,18,871	83,01,024	84,38,775	92,27,437	91,00,837	1,03,83	1,07,63
Bengal Nagpur	3,88,42,829	4,38,60,570	5,33,17,921	4,43,17,322	5,11,27,579	5,98,07	6,39,63
Bombay, Baroda and Central India	5,33,70,406	6,75,12,138	7,09,28,942	8,24,16,577	7,14,56,582	7,36,53	7,75,58
Burma Railways	1,62,64,108						
Burma Railway Extensions	17,16,303	2,21,87,533	2,47,26,208	2,43,06,464	2,52,25,907	2,68,17	2,80,39
Southern Shan States	5,29,640						
Great Indian Peninsula including Indian Midland	7,86,59,628	9,67,79,411	11,80,71,791	10,58,31,167	9,15,57,559		
Agra-Delhi Chord	29,41,579	38,72,250	43,05,257	38,08,140	30,83,340		
Bhopal	6,90,091	9,82,380	11,03,748	9,71,658	9,02,130	10,19,08	11,28,97
Baran-Kotah	94,468	1,02,889	1,16,928	1,14,479	1,18,738		
Cawnpore-Banda	2,54,308	3,19,083	4,34,314	3,82,129	3,41,312		
Madras and Southern Mahratta Railway	3,17,82,724	4,17,61,942	4,59,12,876	4,73,98,926	4,32,89,648	4,55,82	4,82,42
Mysore State lines	22,76,326						
Dhone Kurnool	1,07,174	1,29,317	1,39,434	1,26,580	1,31,570		
South Indian	2,18,16,709	2,56,95,051	3,34,02,156	3,59,08,882	3,04,74,778	3,05,56	3,22,34
Tinnevelly Quilon	11,03,963						
Other Railways	78,41,617	92,32,104	96,19,025	1,14,19,698	1,04,55,157	1,10,21	1,11,14
Total Central	45,45,55,861	54,54,37,464	65,66,78,003	65,96,16,125	61,05,28,077	64,17,75	(a) 67,96,62
India	45,45,55,861	54,51,37,464	65,66,78,003	65,96,16,125	61,05,28,077	64,13,14	67,39,78
England	...	...	...	...	...	3,36	42,63
Exchange	...	...	...	...	...	1,25	14,21

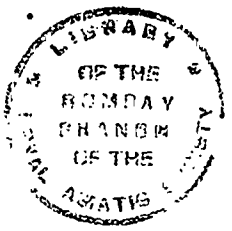
(a) Includes 74 lakhs for probable supplementary grant.

APPENDIX II—*concld.*

State Railways.	Accounts. 1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
Net Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
INDIA.							
State Railways worked by the State.							
Eastern Bengal	1,42,78,618	1,62,84,358	11,881	83,73,298	1,39,04,117	1,72,77	1,59,29
North-Western—							
Commercial lines	4,28,41,806	2,87,89,079	1,01,46,628	2,88,26,082	4,35,64,499	5,34,42	4,68,00
Strategic lines			—81,83,932	—67,07,641	—18,52,743	—32,00	—32,25
East Indian	7,36,99,360	6,43,45,061	4,81,47,565	5,54,36,686	6,25,27,236	7,28,20	8,11,44
Oudh and Rohilkhand	1,32,01,444	1,31,86,781	73,16,285	1,23,28,111	1,25,56,262	84,04	
State Railways worked by Companies.							
Assam Bengal	20,02,104	19,64,195	76,609	28,29,023	37,59,391	36,17	37,37
Bengal Nagpur	2,70,88,563	2,00,76,829	1,34,73,242	3,27,53,888	2,59,65,944	2,21,97	2,19,31
Bombay, Baroda and Central India	4,33,42,400	3,19,04,239	2,26,02,992	3,51,02,756	4,80,85,557	4,03,47	5,04,42
Burma Railways	1,34,49,941						
Burma Railway Extensions	9,08,424	1,04,41,486	1,04,46,285	1,63,01,594	1,59,11,709	1,46,83	1,59,61
Southern Shan States	—240						
Great Indian Peninsula including Indian Midland	4,73,82,742	3,11,56,446	80,99,154	3,53,06,966	4,69,17,775		
Agra-Delhi Chord	17,57,294	11,58,417	4,02,598	12,76,256	15,08,979		
Bhopal	4,10,815	2,03,887	1,03,214	3,25,642	4,41,501	5,05,92	4,20,03
Baran-Kotah	94,468	...	60,314	97,482	1,01,744		
Cawnpore-Banda	1,18,879	70,171	15,993	96,140	1,31,803		
Madras and Southern Mahratta Railway	2,56,13,232	2,04,83,598	1,95,95,993	2,54,14,628	3,04,44,238		
Mysore State lines	18,60,113					3,23,76	3,11,98
Dhone-Kurnool	69,655	52,766	45,743	62,650	89,645		
South Indian	1,83,31,404	1,70,11,327	1,25,60,780	1,51,19,914	2,22,31,390	2,14,44	2,17,66
Tinnevelly-Quilon	7,10,650						
Other Railways	82,03,006	74,19,129	86,92,359	96,54,618	97,05,219	1,08,79	1,12,86
Total Central	33,55,84,684	26,46,37,769	16,02,49,374	27,25,98,093	33,60,24,266	35,38,87	34,59,82
India	33,63,13,789	26,46,37,769	16,02,49,374	27,25,98,093	33,60,24,266	35,26,86	35,10,22
England	7,29,105	...	...	...	...	1,47	—37,80
Exchange	...	...	...	...	...	54	—12,60

PART II.

GENERAL BUDGET.



Speech of the Finance Member

introducing the

Budget for 1925-26.

INTRODUCTORY.

Improvements in Financial Machinery.

Sir, The change introduced last year, in accordance with which the Financial Statement is made in the afternoon of the last day of February instead of on the first day of March, has one disadvantage not unforeseen when the change was made, in that both this year and next the last working day of February falls on a Saturday, and Members of this House have to be called upon at a late hour on a Saturday afternoon after a hard week's work to listen to what must necessarily be a lengthy and detailed analysis of the financial position of India. But the new procedure was, I know, appreciated by all concerned, particularly by the commercial community, and no apology is needed for its adoption again this year.

Separation of Railway Finance from General Finance.

2. A still more important change in our procedure has taken effect for the first time this year. The last few days have brought home to all of us the reality of the separation of Railway Finance from General Finance, a subject with which I dealt at some length in my Budget speech a year ago and on which a final agreement was happily reached last September. I cannot pass over in silence this most important reform in the Government of India's financial machinery. Of its ultimate advantages from the point of view of Railway administration, from the standpoint of the commercial and general public, and from that of the Government of India and of this House in dealing with the finances of the Central Government, I have no doubt whatever. Before many years are out, this country will, I feel sure, see its benefits in the practical form of more efficient and cheaper transportation with all that is therein involved for the economic development of a country with the immense potentialities which India possesses. Meanwhile, we are happily relieved of the difficulties and doubts which confronted us in dealing with our General Budget when it incorporated the gross receipts and the working expenses of the Railways and the difference between good and bad trade and a good and bad monsoon meant a difference of several crores of rupees in our Budget figures. The taxpayer is now assured of a regular and growing contribution in relief of taxation from his investments in Railways and the task of maintaining a continuous financial policy and of distinguishing between a temporary and permanent surplus or deficit in our accounts is immensely facilitated.

3. I may, however, be pardoned if I comment on one uncomfortable disability which this change imposes this year on the Finance Member, who has to send his Budget speech out in print to all parts of India almost a week before it is delivered with the disquieting knowledge that many subjects relevant to the General Budget will have been under active discussion

in this Legislature and in the country during the course of that week without his being able to modify one word in his speech in the light of such discussion. My previous predilection in favour of the change of the date of the Railway Budget from March to September is greatly fortified by this experience.

Commercialisation of accounts of Posts and Telegraphs Department.

4. It will be convenient if I pass from this subject to the kindred subject of the introduction of a system of commercial accounting in the Posts and Telegraphs Department. In the Financial Statement for the year 1925-26 which I am about to lay before the House, the figures for the Posts and Telegraphs Department will for the first time be set out in a completely commercialised form. I do not think many people beyond those immediately concerned with the commercialisation of the accounts realise what a very difficult business it has been, and we are greatly indebted to the Accountant General, Posts and Telegraphs, and to the other officers concerned for their unstinted labours. The recasting of accounts into a new form must always involve a certain amount of confusion and possibility of error on first introduction, and many knotty problems of classification arise. It was not until January of this year that various important decisions of principle were finally reached, and both as regards the form of the account itself and the actual method of distributing the charges final orders have still to be issued in certain cases. The statements and estimates prepared represent, therefore, on several points decisions which must be regarded as provisional.

5. It is, however, possible for me to indicate with some completeness what the change of system involves. The Indian Postal and Telegraph Department exists primarily for the purpose of providing the Indian public with easy and rapid means of intercommunication, and in payment for the services rendered in that capacity it obtains revenue from the sale of stamps, money order commission, etc. But in addition to these services, the Department, which is ubiquitous throughout the continent of India and Burma, is naturally called upon to act as the agent of the Government in carrying out other essential services not directly connected with its primary activities. For example, the Department manages the Post Office Savings Bank, issues and discharges Post Office Cash Certificates, collects Customs duty on dutiable articles coming into India by post, manages the Postal Life Insurance Fund, and is the custodian of postal and telegraphic stores held in reserve for purposes of mobilisation of the Army. Hitherto the accounts of the Indian Postal and Telegraph Department have been kept mainly on a cash basis and until 1924-25 no credit was taken in its Budget for the value of services of the kind mentioned. In 1925-26 about 24½ lakhs will be credited to the Department in respect of these services as a deduction from gross working expenses. On the other hand, under the cash system the working expenses included no provision for interest on capital (with certain small exceptions) or for depreciation, and the charge for pensions which was transferred to the Department from the general superannuation vote only a year ago included simply the estimated outgoings of the year which are considerably less than the annual liability. Under the new system the Department will carry a sum of 50 lakhs for pension liability as against a sum of less than 40 lakhs representing the estimated outgoings for pensions in 1925-26. It is further proposed to call upon the Department to find 32 lakhs by way of provision for depreciation of assets. From the net receipts the Department will also pay interest on the block capital value of its assets, the amount required being provisionally taken at 66 lakhs. All

these items represent charges which should legitimately be borne by any commercial concern. The block capital value has been provisionally based on the total outlay on capital account as shown in the Finance and Revenue Accounts, after allowing for depreciation. The whole question is now being investigated with a view to discovering to what extent the older assets of the Department may have disappeared without any corresponding adjustment having been made in the accounts, and any mistakes discovered will have to be rectified. In addition to paying interest on the depreciated block account, the Department is also legitimately liable to make good any arrear depreciation within a certain number of years. Ordinarily this charge should be met from its revenues, but as the present position is uncertain, we have provisionally allowed the Department to borrow from general revenues for this purpose and pay interest on the sum so borrowed. The pensionary liability which I have mentioned has also had to be taken at an arbitrary figure pending its calculation on an actuarial basis.

6. In order to enable comparisons to be drawn between the results of two years' figures for the Posts and Telegraphs Department, the estimates for the year 1924-25 have been recast in the form in which they would have appeared if the scheme of commercialisation had been given effect to this year. For the year 1925-26, if I may be allowed to anticipate a little the figures for the new Budget, the gross Budget estimate of revenue of the Indian Postal and Telegraph Department is 10·41 crores; the gross expenditure amounts to 9·76 crores; the net receipts are thus 65 lakhs. Out of these net receipts provision has to be made for interest on capital to the amount of 66 lakhs. The final profit and loss account of the Department on this basis shows a loss of Rs. 60,000 for 1925-26. If the figures for 1924-25 were recast on the same basis, the gross receipts would amount to 10·07 crores; the working expenses to 9·44 crores; the net receipts to 63 lakhs; and after making allowance for interest and other charges, the net outturn would show a loss of a little less than 3 lakhs. I do not wish to lay any particular emphasis on these figures or to draw any particular inference from them at this stage. Minor modifications will be necessary when the outstanding questions have been finally settled and the actual results of the year's working may show some diminution of expenses or some increase of revenue which will turn the small loss into a small profit, but the margin is in any case narrow. It is satisfactory to know, however, that the Department is not, as at one time I feared, working at a considerable loss, and with the improvement of trade which now seems to be taking place, I am not without hope that a year hence a better showing will be made. An attempt has been made in the detailed statement explaining the Demands for Grants for this Department to allocate the receipts and expenditure among the main branches of its activity, *viz.*, Post Office, Telegraphs and Telephones. I should, however, warn the House against the danger of accepting this as an exact measure of the results of working of the different branches and basing any conclusions thereon. The activities of the Department are so closely intermingled that any allocation is bound to be arbitrary. Moreover an increase in the receipts of one branch has inevitable reactions on the receipts of other branches. For instance, an increase in telephone receipts may be accompanied by a reduction in postal receipts or, in the case of long distance telephones, in telegraph receipts. The estimated figures of profit and loss for 1925-26 as calculated by the Accountant General, Posts and Telegraphs, are as follows: the Post Office is expected in 1925-26 to work at a

net profit of about 29 lakhs and the Telegraphs and Telephones at a net loss of 26 lakhs and 4 lakhs each, these figures being to a large extent accounted for by the amount of interest payable on their capital outlay by the Post Office, Telegraphs and Telephones, *viz.*, 8,48½ and 9½ lakhs respectively.

Changes in Demands for Grants.

7. Before passing on to my actual Budget, I wish to refer briefly to some changes that have been made in the Demands for Grants which, I believe, the House will appreciate. The Public Accounts Committee have this year devoted much attention to the form of these grants and we have, wherever possible, accepted and given effect to their views. We have, for instance, adopted their suggestion of rearranging our territorial grants on a more logical basis and of removing from the High Commissioner's grant large items such as the expenditure on Currency stores. We have indeed gone further in this direction than they recommended. We have, for a different reason, decided to remove all stores from the High Commissioner's grant and to include them in the various departmental grants. The House will remember that one of the objects of the Act which was passed last year making Government stores liable to Customs duty was to encourage purchase of stores in India as far as possible. It is essential for that purpose that the Customs duty shall be actually taken into account by the spending Departments in considering the comparative cost of goods imported from abroad and goods bought in India. This is, however, impossible if the cost of the stores is included in one grant and the Customs duty in another, for a transfer of funds from one grant to another is not possible without a fresh vote of the Assembly. The effect of the inclusion of the cost of stores, along with Customs duty, in the departmental grant will be to make the comparison real and enable the spending Department to utilise the total provided for purchases in India. The Demands for Grants have also been altered in another direction to which, I know, both the House and the Public Accounts Committee attach much importance. The total number has been increased considerably. Apart from the large increase in the number of grants connected with Railways which we have been discussing this week, we have adopted the suggestion which you, Sir, made last year that there should be a separate grant for each Department of the Government of India instead of one grant for "General Administration". This one grant has now been replaced by thirteen, giving greater facilities, which I have no doubt will be fully utilised, for criticism and review of the administrative activities of the Government.

Accounts of the year 1923-24.

8. In dealing with the Posts and Telegraphs Department I have been led to anticipate a little the normal order of the Financial Statement. It is now time to turn to the ascertained results of the year 1923-24. The actual figures more than justify my statement a year ago that, although the revised Budget seemed to point to a small deficit of 38 lakhs on ordinary account, it would not be surprising to find that the final figures showed an actual surplus. Owing to the unavoidable uncertainties of a period when drastic retrenchments were being carried out in accordance with the recommendations of the Retrenchment Committee, whose report was received only a few days before the original Budget was presented, both the original and the revised Budgets for 1923-24 were peculiarly difficult to frame. The Revised estimates for 1923-24 showed a total

revenue of 131·96 crores, and a total expenditure of 129·90 crores, leading to a surplus of 2·06 crores including the extraordinary receipt from profits from the control of enemy ships. The actual figures for the year show the revenue at a total of 133·17 crores, and the expenditure at 130·78 crores, leaving a realised surplus of 2·39 crores.

9. These figures cannot, however, be compared without further explanation with the revised figures presented a year ago. The net Military expenditure given in the Revised estimates as 59·74 crores is reduced, now that the actual figures are finally ascertained, to 56·23 crores. About 66 lakhs of this saving of 3·51 crores are due to a reduction in the expenditure in England on payments for surplus officers, purchase of stores, etc. The rest of the saving occurred in India and may be regarded as the cumulative reward of our persistent efforts to secure all-round retrenchment—a result for which we are very greatly indebted to the constant watchfulness of His Excellency the Commander-in-Chief assisted by the Financial Adviser, Military Finance. To His Excellency the Commander-in-Chief's unfailing co-operation and assistance in the task of reducing the expenditure of the Army I wish to pay a very special tribute of thanks. It is a task which is always an ungrateful one and particularly so when undertaken by a Commander-in-Chief.

10. Our true expenditure for the year 1923-24 for Military services is, however, understated at 56·23 crores, since in addition to the cash expenditure, allowance has to be made for the fact that over 3 crores of surplus stores were utilised by the Army during the year in question and not replaced. This considerable reduction of accumulated stores is a very valuable economy and is in accordance with the recommendations of the Retrenchment Committee, but it is necessarily a non-recurrent saving and for purposes of comparison in future years the net military expenditure for 1923-24 may be taken at approximately 59¼ crores, of which 56·23 crores were in cash and the remainder was in kind. The House will, of course, appreciate that the year 1923-24, the first year in which the Retrenchment Committee's cuts were brought into force, was in many respects abnormal, and, as I have said, estimating was unusually difficult. The error on this occasion was very emphatically on the right side, but a careful examination is being made into the whole machinery of the preparation of our Military estimates with a view to the prevention of over-budgetting. The estimates for 1925-26, which I shall be presenting shortly, have been very carefully pruned for this purpose.

11. But in spite of this reduction of 3½ crores in Military expenditure as compared with the Revised estimate and of larger receipts from Salt duty in March 1924 than anticipated, the actual surplus shown in the accounts does not differ widely from the figures presented by me a year ago, because we have made two changes in accounting which, while not affecting our Ways and Means position in any way, reduce the apparent amount of the surplus, with great advantage to our financial position in future years. The first of these changes is the adjustment against the revenues of 1923-24 of the whole of the discount charges, amounting to 82 lakhs, on the 1923 loan, which we had originally proposed to spread over a period of years. The second and the more important change is that we have transferred from the Suspense account and charged against the revenue of the year certain items, aggregating 3·41 crores, consisting of loans and advances to the Persian Government incurred both before and during the Great War. This expenditure was shared by us with the British Government and the practice of the British Treasury is to treat

such outgoings at once as expenditure against the revenue of the year instead of keeping them in suspense as has been done in India. From a book-keeping point of view it is unsatisfactory to keep large amounts in suspense for an indefinite period without bringing them finally to account. The Public Accounts Committee has recently drawn attention to this defect in our system with special reference to these particular transactions. We are endeavouring to avoid suspense entries in our accounts in future so far as possible. Meanwhile we have taken advantage of the opportunity offered in 1923-24 to write-off all these items against revenue. The fact that this book adjustment has been made does not, of course, in any way affect the liability of the Persian Government with whom negotiations are proceeding for recovery of the debt. A comparative table is being bound up and circulated with the Budget speech, as was done last year, showing the actual outturn for each of the last ten years. The final result of the year 1923-24 is, as I have already said, a realised surplus of 2·39 crores.

Review of the year 1924-25.

12. Our hopes of a steady revival in trade, which were disappointed in 1922-23 and 1923-24, have at last been fulfilled in 1924-25. The characteristic feature of the year has been the movement of a greater bulk of commodities both for export and for home consumption. The first ten months of 1924-25 show once again a considerable expansion in the exports of grain and pulse. The price of tea has been advancing and our exports for the year constitute a record. The cotton trade had been adjusting itself to smaller margins, but an encouraging feature of the year is the steady expansion in the export of Indian-made piece-goods, especially noticeable under the head of grey piece-goods. In the last months of 1924 some of our chief exportable commodities, notably, jute, tea and wheat, rose markedly in price. Cotton, on the other hand, was falling in price and has been slow in coming to the market. The hopeful prospects entertained by the cotton industry have not as yet fully materialised, but with a large crop in sight and indications of a steady internal demand, there are legitimate grounds for hoping that the delay in their realisation is only temporary.

13. The total value of the exports of Indian merchandise for the first ten months of the financial year was 297½ crores, which is over 60 crores in excess of the figures of 1922-23 and 24 crores in excess of those of 1923-24. Imports have advanced similarly, and the balance of trade in merchandise in India's favour up to the end of January 1925 was exactly the same as at the end of January 1924, namely, 103½ crores. After allowing for a total import of bullion during the first ten months in question of 61½ crores, there remains a net balance of 42 crores in favour of India, as against 63½ crores a year ago.

Revenue.

Customs.

14. The welcome recovery in trade is clearly visible in the figures of gross Customs receipts. We budgeted for a gross revenue under this head of 46·02 crores and a net revenue of 45·02 crores. The present figures indicate that the gross receipts will be 48·74 crores—an increase of 2·72 crores. There is a falling off in receipts under the heads tobacco, matches, and machinery, but nearly every other head shows an increase, specially the revenue from

import duties on cotton piece-goods and sugar, and that from cotton excise duty now estimated to yield 2·10 crores in 1924-25. Metals other than iron and steel, and export duties, also show noticeable increases. The protective duties imposed last June are expected to bring in about 2·25 crores, of which about 1·10 crores may be regarded as additional revenue.

Privy Council Decision on Appeal regarding stores imported by State Railways worked by Companies.

15. This real improvement in Customs revenue is, however, obscured by the necessity of making a much larger provision for refunds than was estimated to be required. Ordinary refunds are put at 18 lakhs more than the estimate, mainly as the result of an increase in the transit traffic to Afghanistan. But it is under the head of extraordinary refunds that the big disturbing element enters. The House will remember the reference I made a year ago to our appeal to the Privy Council against the decision of the Bombay High Court that stores imported by Railway Companies working State lines came under the definition of Government stores. The Privy Council has recently decided against us, and as I warned the House, we have in consequence to make large refunds of duty. The amount of these refunds was estimated roughly a year ago at about 2 crores, and an amount of 2 crores was accordingly retained from our extraordinary receipt from enemy ships against this contingent liability. Our latest estimate places the amount to be refunded at 2·80 crores, and this payment has to be shown as a refund under the head Customs. Thus, in spite of an increase in our gross receipts, our net Customs revenue is now estimated at 44·76 crores or about 26 lakhs less than we originally budgeted for.

16. The effect of the Privy Council decision has already formed the subject of discussion when we were dealing with the Railway Budget, but I think it will be convenient to the House if I explain shortly the exact bearing of these refunds on our general financial position. So far as concerns Ways and Means, the net effect is almost negligible, for our loss under Customs appears as a gain under Railways. Out of the total of 2·80 crores, 1·55 crores are attributable to stores consumed for purposes of capital expenditure and go to reduce the capital expenditure of the year, and the balance of 1·25 crores representing duty on stores consumed on revenue account goes to reduce the working expenses. The net receipts from Railways during 1924-25 are correspondingly increased and consequently also the surplus profits paid to the Companies working the lines. It is only this last amount which is absolutely a loss to the Government of India in one or other of its capacities. The share of the Companies in the profits is proportionate to the amount of capital contributed by them, and as the capital they have contributed is small, only about 15 lakhs of this special receipt goes to them. The balance of 1·10 crores swells the Railway surplus for the year, and as this is already over 3 crores, two-thirds or 73 lakhs are transferred to the Railway Reserve, and one-third or 37 lakhs added to the contribution payable by the Railways to general revenues. Our revenue position is, however, more seriously affected. We have lost 2·80 crores under Customs and only 37 lakhs of it come back as an addition to the contribution made by the Railways to general revenues. But to meet this loss we have the amount set apart last year from the enemy ships account. The total amount due to India from this account has proved to be somewhat more than 4·69 crores, the amount originally estimated. The sum credited to revenue in the accounts of 1923-24 was 2·41 crores; 25 lakhs have been set apart to

meet the claim on account of *ex gratia* grants to private individuals in consideration of losses suffered from enemy action which, it is expected, we shall have to make in 1925-26 instead of in the current year as originally intended. We are taking as an extraordinary receipt in the current year 2·55 crores which compensates for the loss of revenue resulting from the Privy Council decision in regard to stores imported by Railway Companies. In 1925-26 excluding the 25 lakhs already referred to, a further credit of 13 lakhs is expected on account of the profits of working of the enemy ships till finally disposed of. This will, we believe, finally close this account.

Taxes on Income.

17. I referred a year ago to the experimental nature of our estimate of receipts under the head of Taxes on Income. The figure included in our Budget for 1924-25 was 18·22 crores. Our latest estimate is 1·75 crores less. As the House knows, the Income-tax demand is based on the results of the preceding year, but while trade conditions in 1923-24 did not appreciably differ from those of the previous year, the total yield of 18¼ crores in 1923-24 included large arrear collections. The year 1924-25 consequently opened with comparatively lighter arrears and our receipts are reduced accordingly. Thanks to the efforts of the Central Board of Revenue, I have reason to hope that our estimates of Income-tax will henceforward contain a smaller element of conjecture. I am also confident that with improving trade and progressive improvement in our machinery of collection there is a considerable margin for increase in future years under this head of revenue.

Evasion of Super-tax.

18. But I desire to take this opportunity of referring publicly to a somewhat serious danger which threatens our Super-tax revenue. There are some among the richer members of the community in India who are constantly engaged in exercising their ingenuity in order to evade by legal devices the payment of the taxation legitimately due from them. I refer in particular to the device of creating what are really bogus Companies with a view to escaping individual responsibility for Income-tax and Super-tax. One such instance of a most glaring kind from Bombay has recently come to my notice which threatened to lose us over Rs. 50,000 in the case of a single individual. It is the bounden duty of the Government to spare no effort in order to put an end to these practices, which can be indulged in only by the rich and only at the expense of the tax-payers of India in general and particularly of the poorer tax-payers. The Government have not yet completed their proposals for amending the Income-tax Act in such a way as will deal effectively with this class of evasion, and legislation on the subject is beset by difficulties. but I know that we can rely on the support of the House in securing that to the best of their abilities they will close up any loophole that may exist in the present Income-tax law, and make certain that the intentions of the legislature in framing the existing scale of Income-tax and Super-tax which is graduated according to the capacity of the individual to pay shall not be systematically frustrated of its legitimate purpose.

Salt.

19. Under the head of Salt we expect to receive 1·31 crores less than our Budget estimate of 9·05 crores. This is exactly the amount by which the actual receipts from salt in 1923-24 exceeded our expectations as set out in the revised Budget of that year. Our estimates allowed for a rapid replenishment of stocks following upon the reduction of the duty. But we underestimated

the rapidity. The rush by dealers to replenish stocks took place in such volume during March 1924 that the receipts in that month exceeded the estimate by 1·31 crores, and the receipts in 1924-25 are correspondingly reduced.

Opium.

20. There is a considerable decline in our estimated receipts from Opium. Our revenue under this head is derived in great part from fixed sales to external Governments both within and outside the British Empire with whom we have definite agreements, but in addition we have for some years been offering 3,000 chests a year for sale by auction at Calcutta. These chests are bought by traders for export to foreign countries with whose Governments we have not concluded any agreement for direct sales. All such exports are dependent on the grant of an import certificate by the Government of the country to which the opium is being exported and no export is allowed without such a certificate. Recent international discussions regarding opium have introduced much natural uncertainty in the opium trade, and since October last we have sold very few chests by auction; in February we sold none at all. The consequence is that we now expect a reduction in revenue of 65½ lakhs, and it is not improbable that our Opium revenue will continue its progressive decline in the next few years.

21. The position will be better understood if I give figures of net revenue instead of gross receipts. Our net revenue from Opium since the year 1921-22 has been as follows:—

1921-22	1·27 crores.
1922-23	1·92 „
1923-24	1·66 „

For 1924-25 we originally estimated for a net receipt of 2·25 crores. Our revised figure is 1·31 crores, the gross receipts being 3·68 crores and expenditure 2·37 crores. In addition to a reduction of 65½ lakhs in our receipts, there is an increase of 28½ lakhs in our Opium expenditure due to the high outturn of the crop. In our forecast for the year 1925-26, which it is convenient in this instance for me to anticipate here, our Opium expenditure is expected to be reduced by 57 lakhs as the result of a reduction of the price paid to cultivators and restriction of the cultivated area. This has become necessary since our stocks in reserve are growing beyond our requirements and would otherwise have become unduly high particularly in view of the possibility of a progressive reduction in demand. In consequence of this and of the inclusion in our excise opium receipts of a special non-recurring item of about 20 lakhs to which I shall refer later, our net revenue for 1925-26, in spite of a reduction in sales, is expected to be 1·76 crores, which is 45 lakhs higher than the revised figure for 1924-25.

Railways.

22. I need say little at this stage in regard to our Railway receipts and expenditure. The net credit to general revenues anticipated in the Budget was 4·58 crores, a figure arrived at without reference to the prospect of the separation of Railway Finance from General Finance. The fixed contribution to general revenues in accordance with the arrangement approved by this House last September is 5·09 crores; and in addition we are entitled to one-third of the

excess over 3 crores of the net balance shown by receipts over expenditure. The figures for 1924-25 can best be summarised as follows:—

	Crores.
Net receipts from Railways after deducting all payments including working expenses, but before adjustment of contribution and transfer to Railway Reserve	9·74
Contribution to general revenues	5·09
Balance	4·65
Central Government's share representing one-third of the excess of this balance over 3 crores	0·55
Net transfer to Railway Reserve	4·10
Net credit to general revenues 5·09+0·55 = ...	5·64

Posts and Telegraphs.

23. I have already given the Revised estimates for the Posts and Telegraphs Department in dealing with the introduction of the new system of commercial accounting. The actual outturn of the year on the old basis, as now estimated, differs very little from our anticipations at the time when the original Budget was framed. There is reduction in net receipts amounting to 16 lakhs, which is more than fully accounted for by the fact that we have agreed to increase by 23 lakhs the assignment to Provincial Governments on account of their share of the receipts from unified stamps.

Other Revenue heads.

24. The only other variation of importance in the revenue for 1924-25 is under the head of Interest where we expect an improvement of 51 lakhs exclusive of exchange, owing to larger balances.

Expenditure.

Exchange.

25. On the expenditure side one of the most important variations between the original and Revised estimates for 1924-25 occurs under the head of Exchange. The House will remember that our Budget estimates were based on the assumption—for which I was careful to disclaim any prophetic value—that the average rate of exchange of the year would be 16¾*d*. I was accused in more than one quarter of rashness, but the sequel shows that I was unduly cautious, for the average rate of exchange for the year is now put at 17½*d*. Exclusive of Railway transactions which affect our general financial position only indirectly, the resulting net saving in our expenditure amounts to 2·15 crores of which 70 lakhs occur under Military services and 5 lakhs under Posts and Telegraphs.

Military Services.

26. Our estimates provided for a net Military expenditure of 60·25 crores. This estimate was framed on the basis of the Budget of the previous year modified by such information as was available at the time when the original estimate for the current year was prepared regarding the progress of expenditure during 1923-24. We have now before us for our guidance the actual figures for 1923-24 which give us for the first time since the War a basis of calculation which begins to approximate to the normal. Aided by this experience and by the recorded figures of expenditure during 1924-25 up to date, we now find ourselves justified in adopting a net figure of 56·33 crores as the Revised estimate for the current year, a figure which is nearly 4 crores

better than the original estimate. Shortage in the authorised establishments of the various services and further economies in several directions account for a reduction of 1·70 crores. Exchange accounts, as I have already said, for 70 lakhs. Surplus stores have been consumed or otherwise disposed of to the extent of 1·10 crores, or 45 lakhs above the original estimate, while gratuities to surplus officers and other payments to the War Office for the British forces in India are expected to require 53 lakhs less. There is a saving of 15 lakhs under the head Military Works and various other savings in expenditure amount to 50 lakhs. On the receipt side, arrears from adjustments or war expenditure have brought us in 42 lakhs more than we anticipated. On the other hand, we have had to provide for an increase in the cost of the Army owing to recent rises in the prices of forage and other supplies for which I have allowed 15 lakhs. An addition of 11 lakhs has to be made in our estimate for non-effective charges. The revision of the pay and allowances including free passages to officers of the Army within the current year involves the provision of an additional 29 lakhs in the Revised estimate. I shall return later to our Military expenditure in dealing with the figures for 1925-26.

Civil Expenditure.

27. I have already mentioned the excess of 28½ lakhs under the head of Opium expenditure required for additional payments to cultivators. Under all the other heads of our Civil expenditure taken together, and excluding the saving under the head of Exchange already mentioned, there is a net excess of 29 lakhs. The bounties under the Steel Protection Act have cost us 37 lakhs, and the additional bounties recently assented to by this House will cost us a further 25 lakhs, making 62 lakhs in all. In addition we have to meet the cost of improvements, following the Lee Commission's recommendations, in the pay, pensions and allowances of the Superior Services under the Central Government amounting to about 25 lakhs. Of this figure, however, about 5 lakhs fall to be paid out of the Railway Budget, and 2 lakhs have already been included in the figures for the Posts and Telegraphs Department. It is satisfactory to observe that, in spite of these additional charges, the net excess in the Revised estimate for other Civil expenditure over the original Budget amounts to 29 lakhs only.

28. The above variations in revenue and expenditure are summarised below:—

[In lakhs.]

	+Better.	—Worse.
Railways (net, including exchange)	+106	...
Military Services (net, including exchange)	+392	...
Posts and Telegraphs (net, including exchange)	...	—27
Total Civil revenue (excluding exchange)	..	—172
Total Civil expenditure (excluding exchange)	...	—57
Exchange on Civil transactions (net)	+140	...
	+638	—256
Net	+382	
Original Budget surplus	+18	
	+400	

[In lakhs.]

	+Better.	—Worse.
Details:—		
Civil revenue (excluding exchange)—		
Customs	...	—25
Taxes on Income	...	—174
Salt	...	—131
Opium	...	— 65
Interest	+51	...
Extraordinary receipts	+169	...
Other revenue heads	+3	...
	+223	—395
		—172.
Civil expenditure (excluding exchange):—		
Opium expenditure	...	—28
Other „	...	—29
		—57

29. The House will observe from these figures that in place of a modest surplus of 18 lakhs allowed for in the original Budget, we now hope to end the year with a surplus of just under 4 crores. This improvement is mainly attributable to the substantial savings in Military expenditure, to the savings in Exchange, to improved Customs receipts, and to the increase in the contribution from Railways to general revenues. The improvement under these items is more than enough to counterbalance the reductions in our revenue; the refunds of Customs duties to Company-managed Railways are covered by the amount set aside in Suspense from last year's windfall; and the savings under general Civil expenditure, for which as well as for the reduction in Military expenditure the steady vigilance of the Finance Department may claim some credit, have all but met the extra charges, not anticipated in the Budget, for bounties in connection with the iron and steel industry, and the cost of the Lee Commission's recommendations.

Public Debt.

30. I devoted a considerable portion of my last year's speech to an analysis of our Public Debt and a sketch of a programme for systematising our provision for Reduction and Avoidance of Debt. As the subject of our Public Debt was discussed at considerable length in this House on February the 17th, there is no need to-day to repeat at length the statement which I then made to the House. It will, however, be convenient I think to include in this speech some of the more important figures. They show some slight variations from the figures previously given being based in certain cases on later information.

Statement showing the Debt of India outstanding on the 31st March 1914, the 31st March 1924 and the 31st March 1925.

(Figures in crores of rupees.)

	31st March 1914.	31st March 1924.	31st March 1925.
In India:			
Loans	145·69	358·81	370·18
Treasury Bills in the hands of the public.	...	2·12	...
Treasury Bills in the Paper Currency Reserve.	...	49·65	49·65
Other obligations -			
Post Office Savings Bank	25·17	21·79	25·92
Cash Certificates	...	8·42	15·02
Provident Funds, etc.	10·93	39·20	43·16
Total Loans, etc	145·69	410·58	419·23
Total other obligations	34·10	72·41	82·10
Total in India	179·79	482·99	501·93
In England (at R15 to the £):			
Loans	265·60	366·80	395·33
War Contribution	...	28·90	28·20
Capital value of liabilities undergoing redemption by way of terminable railway annuities	105·90 (=£70,600,893)	90·14 (=£60,095,487)	88·25 (=£58,836,487)
Total in England	371·50	485·84	511·78
Total Debt	551·29	968·83	1013·71

31. The above figures include the debt due by the Provincial Governments to the Government of India amounting to 97·56 crores on the 31st March 1924 and 106·95 crores on the 31st March 1925. The productive debt was 673·59 crores on the 31st March 1924 and will be 725·15 crores on the 31st March 1925. The unproductive debt was 295·24 crores on the 31st March 1924 and will be 288·56 crores on the 31st March 1925. Exclusive of Provincial Governments' debt, which may also be regarded as almost entirely productive, the increase in the productive debt during the current financial year amounts to 42·17 crores. It is almost entirely accounted for by capital expenditure on Railway development and includes not only the new capital expended during the year, but also the amount of £18½ millions of the East Indian Railway Company's debentures taken over by the Government of India on the termination of the Company's contract. This latter figure, while it represents an addition to the direct obligations of the Government, does not of course represent any addition to the indebtedness of India as a whole, being merely a transfer from the Railway Company to the Government of the liability to meet the same interest charge out of the earnings of the same Railway. Unproductive debt decreased during 1924-25 by 6·68 crores, but the real decrease was larger since to the extent of 1½ crores the nominal total of the debt has

been increased by the conversion of 7 per cent. Government of India sterling loan into 3 per cent. stock, a conversion which, while doubling the nominal amount, has the effect of reducing the interest charge on the nominal total from 7 per cent. to 3 per cent. and represents an annual saving in interest.

32 Our internal debt (again excluding Provincial Governments' debts to the Government of India) on the 31st March 1924 was 385·43 crores and on the 31st March 1925 will be 394·98 crores. Our external debt was 485·84 crores on the 31st March 1924 and 511·78 crores on the 31st March 1925. (For the purposes of calculation of our external debt I convert sterling at Rs. 15 to the £ in order to facilitate comparison with previous years. I may, however, add that at the present rate of exchange of 18*d*. the external debt amounts only to 454·92 crores.) The increase in our external debt is, however, purely nominal and the explanation of it is the same as that already given in another connection, namely, that the later figure includes 27·75 crores or £18½ millions of East Indian Railway Company's debentures which are not really an increase in the debt of India at all, while a further 1½ crores represent the increase due to conversion of the 7 per cent. loan into 3 per cent. stock. Apart from these nominal changes, we have reduced our external debt during 1924-25 by nearly £2¼ millions.

Provision for Reduction or Avoidance of Debt.

33. The method which I outlined last year for the regularisation of the provision for the reduction or avoidance of debt has been adopted substantially in the form then proposed in the scheme recently announced by the Government of India. The scheme is fully explained in the Government of India Resolution dated the 9th December 1924. Under that scheme, for a period of five years in the first instance, the annual provision for reduction or avoidance of debt to be charged against annual revenues is fixed at 4 crores a year plus $\frac{1}{80}$th of the excess of the debt outstanding at the end of each year over that outstanding on the 31st March 1923. The provision required under this arrangement for 1925-26 is 4·78 crores, the increase being due partly to the considerable addition to our Permanent Debt as a Government involved in the taking over of £18½ millions of the debenture stock of the East Indian Railway. When it is remembered that the gross amount of the debt owed by the Government of India to its various creditors exceeds 1,000 crores of rupees, a provision of 4·78 crores cannot be regarded as other than modest, amounting as it does to less than half of 1 per cent. of the gross amount. This figure of 4·78 crores compares with the provision of 4.52 crores in the original estimates for 1923-24 which was not based on any regular programme but represented the aggregate amount of the specific sinking funds then in operation for specific loans. There is a further item which appears under the same head for 1924-25 and for 1925-26, namely, the equivalent of the amount of Customs duty on capital stores imported for State-managed Railway lines. Such Customs duty represents an addition to our revenue arrived at by an addition to our Capital expenditure and as explained in my Budget speech last year we have earmarked it as a special contribution from Revenue to Capital.

34. In view of the debate which took place on this subject a fortnight ago I need not enlarge again on the importance of a regular and systematised provision being made in our annual Budget for reduction or avoidance

of debt. The most extravagant thing a Government with large commitments and a big programme of new borrowing can do is to provide an insufficient sinking fund. Any apparent saving that may be effected in the Budget for one year by a reduction of the amount provided will be more than offset in the next year or two by the additional interest that will have to be paid on new loans including conversions. We have a large volume of short-term bonds maturing during the next decade, and arrangements have to be made for re-borrowing the amounts which fall due. We have also a heavy programme of new capital expenditure which we have to finance mainly out of borrowed funds. It is essential that we should maintain our credit both internally and externally unimpaired, if we are to carry through successfully the business of renewing maturing debt and raising the new capital which we require. Our provision for reduction or avoidance of debt assists us in this task in two ways, for it not only reduces the amount that we have to borrow, but it also gives confidence to our creditors and to those whom we may want to induce to become our creditors in the security which we have to offer them, and thereby serves to keep down the rate of interest on our new borrowings. Nor must the value of such a provision as an emergency reserve be overlooked. I have received evidence from many quarters to the effect that the regularisation of our provision for reduction or avoidance of debt has greatly strengthened the confidence of investors both inside and outside India in the soundness of India's financial position and methods, and in the desirability of her Government loans as investments for their savings.

Provincial Loans Fund.

35. Before I pass to the figures for the year 1925-26, let me mention one further innovation in our Public Debt policy which, though not at the moment ripe for introduction, is so far advanced that I have every hope of its introduction as from the beginning of the new financial year. I refer to the proposal for the establishment of a Provincial Loans Fund which has already been twice discussed at the conferences of Finance Members held in Delhi in November 1923 and November 1924. The purpose of this proposal is to systematise the arrangements by which advances are made by the Central Government to Provincial Governments. A central Fund is to be established, financed for the present out of Central Government moneys, out of which all advances granted by the Government of India to Provincial Governments will be made—the charges for interest and the terms on which the advances granted for various purposes are to be repaid being fixed for all Provinces alike at such rates as will keep the Fund solvent. Hitherto advances have been made direct to the Provincial Governments out of the balances of the Central Government and the terms and conditions including the rate of interest and the period of amortisation have been dealt with piecemeal and special orders have been passed by the Government of India on each occasion as it arose.

36. There is, I am sure, much to be gained by the recognition of definite principles regulating such borrowings. The arrangements proposed are now under the final consideration of Local Governments all of whom have accepted the proposals in principle. They are of a simple character in themselves, but besides emphasising general principles, the scheme contains within itself the germs of development, and I look forward to the day when the Fund may be administered by an Indian body corresponding

to the National Debt Commissioners or the Public Works Loan Commissioners in England, and the money required for advances from the Fund raised in the open market by the controlling body on the security of the assets of the Fund. It is too early yet to say when such a development, though it may already be foreseen, will materialise. I am confident, however, that considerable benefits will accrue to the finances of India when the day comes on which the advances made by the Central Government to the Provincial Governments will be excluded from the Public Debt of the Government of India in the same way as advances made on the guarantee of the British Treasury to public bodies in the United Kingdom are excluded from the British Public Debt. Not only these advances to the Provincial Governments but also the Railway debt of the Government of India may ultimately be separated from the ordinary debt, and raised, subject perhaps to a Government of India guarantee, not on the general credit of the revenues of India but on the security of the assets of the Provincial Loans Fund and of the Railway undertakings of the State respectively. The true facts regarding the Public Debt of India would be less obscure than they are to-day, and the facilities for raising new capital would be widened, if so large a portion of the money required for capital development of all kinds in India had not to be raised by a single borrower, namely, the Government of India, on the sole security of the revenues of India.

Budget Estimate for 1925-26.

Exchange.

37. The way is now clear for the presentation of the Budget estimates for the coming year. I will deal first with the subject of Exchange. For 1924-25 the rate of exchange is expected to work out at an average of 17$\frac{1}{2}$*d.* and for nearly half the year exchange has been fairly steady in the neighbourhood of 18*d.* I have no intention this year, any more than a year ago, of prophesying or promising any particular rate, but, as I said last year, we are compelled to adopt some definite figure for Budget purposes, although the actual figure must be subject to events entirely or mainly beyond our control. The House is already aware from our discussions in connection with the Railway Budget that I have taken for Budget purposes for 1925-26 a figure of 18*d.* In view of the debates which have already taken place in this House during the current session on the exchange question I should have been content to leave the matter at that and not take up the time of the House by devoting a part of my Budget speech to a further examination of the subject of Exchange. Moreover, I am anxious neither to argue nor to be thought to be arguing for or against the ultimate fixation of the rupee at any particular figure.

38. But there is one aspect of the question which I had hoped to deal with on the debate on Sir Purshotamdas Thakurdas's Bills to fix the ratio of the rupee at 1*s.* 4*d.* gold forthwith. Those Bills cannot now come up for discussion much before the end of the session, and consequently I feel compelled to say something on the subject to-day. I am compelled to do this because it has been brought home to me that the old fallacy that a high exchange benefits the importer of goods from abroad and a low exchange benefits the primary producer and the exporter, is still prevalent in some parts of India, and that the absence of any reasoned refutation of this doctrine from the spokesmen of the Government has been taken to imply that it cannot be refuted. The explanation, so far as I am concerned,

of the absence of any refutation is a simple one. It was not until quite recently that it dawned on me that any one could seriously believe it to be true.

39. This hoary old fallacy has long ago been given up in most countries of the world. Why should it still have a semblance of life in India? The reason is partly perhaps that it is founded on one partial truth from which it is a wholly and entirely unjustifiable generalisation. I will return to this in a moment. But the main reason is, I fear, a less tangible one. If a view is sincerely held and is based on reasoning, it is possible to meet it in argument, but it does not appear to be so in this case. There is a deep-rooted suspicion in some quarters, due I think to want of clear understanding of a difficult subject, and for that reason all the more difficult to eradicate, that the policy of the Government of India in regard to Currency and Exchange is consciously dictated solely or mainly by a consideration of interests other than those of India or even—so sinister is the suspicion—is directly calculated to keep Indian business and commerce from availing themselves of their natural opportunities and from growing to their full stature. There is no knowledge for which I wish more ardently than knowledge and understanding how to combat this suspicion which I know is absolutely unfounded. I am sure that everyone in this House recognises that neither I nor the Government of India have any interests whatsoever other than the interests of India in our minds in the policy which we are following in regard to Currency and Exchange. Some members may disagree with our policy, but they do not doubt our motives. Outside the House it seems to be otherwise. When an increase of world competition—inevitable in present world conditions—creates difficulties or reduces profits, at once voice is given to the suspicion that in some obscure way the Government of India, whose interests as representatives of the tax-payer are necessarily identical with those of Indian trade, are deliberately trying to damage Indian trade. All sorts of motives which have never entered into the head of the Government are attributed to them and the tragedy of the position is heightened by the fact that the existence of such suspicions and the attribution of such motives are themselves a bar to effective co-operation between the Government and the people of India and add enormously to the difficulties of arriving at and carrying through the policy most truly beneficial to India.

40. The partial truth to which I referred just now is that in a period of rapidly rising exchange there may be some temporary tendency for exports to be checked and imports stimulated. But when, as has been happening in the last 12 months, world prices have been moving up outside India and a natural stimulus has thus been given to the world's demand for India's produce, the effect of a rising rupee exchange has been in the main to keep rupee prices from rising in sympathy with world prices. During the last year or so prices of goods imported into India have gone up considerably in terms of sterling, while remaining fairly steady in terms of rupees. Similarly prices of goods exported from India have remained fairly constant in terms of rupees, but have gone up in terms of sterling. I take sterling as the most suitable currency for the purposes of comparison because exports from India tend to be paid for in sterling to whatever country they may be consigned. The exporter, that is to say, has been getting a larger amount of sterling for his exports, but when his sterling has been converted into rupees, the amount of rupees has proved to be much what it was before.

41. Let me give a few figures in illustration comparing the prices of Indian exported produce in August 1923 and October 1924.

	August 1923.	October 1924.
Rice	13/6	18/-
Wheat	40/-	63/6
Linseed	£18-10-0	£25-0-0
Ground nuts	£20-10-0	£28-10-0
Copra	£27-5-0	£33-0-0
Cotton seed oil	£34-0-0	£44-0-0
Ground nut cake	£11-10-0	£13-10-0
Jute	£22-5-0	£42-10-0
Cotton	11·20*d.*	12·30*d.*
Wool	12*d.*—14¼*d.*	19*d.*—26*d.*
Hemp	£20—£35	£38—£55
Hides	1/9*d.*	2/1*d.*
Skins	5/9*d.*	6/10*d.*
Manganese	1/9*d.*	1/10*d.*
Tea	1/6*d.*	2/-
Coffee	126/-	190/-
Shellac	260/-	330/-

I take the figures for October 1924 because these figures relate to the moment when the Government of India intervened last autumn to make large purchases of sterling in order to check the rise in exchange for the time being—an action which I may observe proves conclusively, if proof were needed, that there is no foundation for the charge which I have more than once denied categorically that the Government of India's policy has been to push exchange up. But I think I am correct in saying that in most cases (tea is an important exception) the sterling prices of the commodities in question are now as high as or higher than they were in October. The lesson of these figures is that the rise of approximately 12½ per cent. in exchange which has been taking place during the period in question has been reflected not in a reduction of the rupee prices obtained by the exporter, but in an increase of the sterling prices paid by the importer who has been forced by India to pay the increased price represented by the increase in the sterling value of the rupee. The result has therefore been that during the period under consideration the rise in the rupee has had very little effect, if any, in the direction either of discouraging Indian exports or of encouraging imports into India. Indeed, if it had had this effect, the result would very quickly have been to bring the value of the rupee down again.

42. It is clear then that the producer for export has not been getting a lower value in terms of rupees than he was getting before the rise in exchange. But, it may be said, he would have been getting higher rupee prices but for that rise. Let me examine this claim from another angle. It is a truism that exports can be paid for only by imports. This is subject to one apparent exception when the imports take the form of securities, and for a country with a considerable external debt such as India has, there are considerable advantages in taking payment for exports in this form of imports. But it is clear that there is nothing disadvantageous for India

in the fact that a given amount of rupees produces a larger amount of sterling and will go further therefore in redeeming India's sterling indebtedness. I need not pause further to deal with this exception. In so far as India produces for export, she must in some form or other take payment in imports, not of course necessarily from the country to which she exports, but from some external source or other. It follows that any effect which a rise in exchange may have in preventing a rise in the rupee prices of exported goods is balanced by a corresponding reduction in the number of rupees required by India in paying for the things which she has imported in exchange. In other words, the producer's rupees have gone further than they would otherwise have gone.

43. Let me illustrate this truth by one striking example which is indeed connected with a particular exception to the general statement I have just made that the effect of the recent rise in exchange has not been to increase imports. The result of recent exchange movements has certainly been to encourage one particular kind of import into India, namely, the import of gold. The price of gold has come down so much in terms of rupees as well as in terms of sterling that gold has looked very cheap. In so far as India takes gold in payment for her exports, therefore, a man who has had a given quantity of cotton or of wheat for export has been able to get in exchange a larger amount of gold than previously. In terms of gold India has been getting very much better value for her exports. I do not regard gold as the ideal form in which India should take payment for her exports, but when the producer is getting a considerably larger amount of gold for his produce how can it be maintained that the rise in exchange has been robbing the producer to the extent of 40 crores of rupees a year or some equally fantastic figure?

44. But my opponent will say, a little less confidently I trust by now but still tender towards his pet fallacy, the producer does not produce entirely or even mainly for export, and surely he would have been better off if he got more rupees for his produce; they would have gone further in the bazar in his purchases of articles other than imported articles, the price of which is not affected by the enhanced price of imported articles which the lower exchange would have caused. I note in passing that many Indian producers for export do in fact take payment in gold imported in exchange. But my reply to this argument is that internal prices are very far from being unaffected by the level of external prices. Consider, for example, the present price of wheat. In some cases the effect of a change in that level may be delayed, but in the long run there always tends to be a constant equilibrium between prices of the various bazar commodities whether imported or not, and if the producer is getting rather more rupees for his produce, the consumer—in this case, be it noted, necessarily the Indian consumer—must be paying more rupees for his purchases whether produced in India or not. So, whatever the producer gains, if he does gain (and his gain would in any case be only a temporary one), is at the expense of the consumer who is in any case an Indian and may be the producer himself in his capacity as a consumer. Where is the gain to India in this? Moreover, to a very large extent the producer in India is also the consumer of his own produce, and it is obvious that in so far as this is the case he is unaffected by a rise or fall in the price of what he produces.

45. But now the final trump card is played against me and I am told triumphantly that the raising of the exchange is a method of indirectly raising taxation. Let us examine this point. The amount of taxation that

has to be raised year by year depends, as this House well knows and as the previous Assembly knew perhaps even better when it was faced year by year with the need for raising additional revenue, entirely on the amount which the Government spends. It is well known that until the budget for the year 1924-25 the Central Government had been compelled in order to make ends meet to increase taxation continually for a considerable number of years. In 1924-25 we were able to present a Budget offering the alternative of a reduction of the salt tax or a reduction of the Provincial contributions. Why were we in a position to offer such a reduction? Partly because the amount of rupees required from the Indian tax-payer to meet external payments was lower owing to the higher average rate of exchange, and partly also because owing to the exchange policy of the Government the level of prices in India had not risen in such a way as to increase the rupee expenditure of the Government. The House, in a somewhat enigmatic manner no doubt, decided against the reduction of Provincial contributions and in favour of the reduction of the salt tax. If by the fiat of this legislature exchange were now suddenly put back to 1*s*. 4*d*. as some people desire, not only would a heinous injustice be done to many innocent people who have entered into contracts at prevailing rates, but at best the Government could not offer the country this year an opportunity of reducing the existing scale of taxation or of reducing the Provincial contributions by as much as they might wish, and at worst the question of increasing the salt tax or the imposition of some other form of additional taxation would again have to be faced. It was partly the higher exchange which enabled us to reduce the salt tax a year ago, and it may be—one day or another, I will not prophesy—that the same cause may assist us in reducing the Provincial contributions. I ask the House then: is it the taxpayer's interests which are in the minds of those who want to reduce the ratio to 1*s*. 4*d*. forthwith? The answer, Sir, is in the negative, or perhaps I should say that the question does not arise in their minds: there has been no question of considering the taxpayer's interests.

46. I say therefore that neither the producer nor the consumer nor the taxpayer has anything to gain by legislative intervention to reduce the rate of exchange to 1*s*. 4*d*. gold from its present level of 1*s*. 6*d*. sterling, which for the moment is practically the same as 1*s*. 6*d*. gold. I would admit at once that a sudden fall in exchange from 1*s*. 6*d*. *to* 1*s*. 4*d*. would put money into the pockets of individuals in Bombay and elsewhere: it would also no doubt for the moment enable the Bombay cotton mills to charge higher prices for their produce at the expense of the consumer. But it would certainly not benefit the consumer nor the wage-earner nor the producer generally, nor would the benefit to the millowner be more than an ephemeral one. The truth is that rapid changes in the rate of exchange may for the moment help this or that section of the community and that arbitrary intervention by the authorities in order either to raise or to lower the rate always needs very strong justification. But what the country as a whole wants is stability—stability first and foremost in internal prices, and next in importance stability of exchange—and after a certain interval it makes little difference either to the exporter or to the importer, either to the producer or to the consumer, what the precise ratio may be at which exchange may stabilise itself provided that it remains fixed at that ratio for a reasonable length of time. On the other hand, it is a considerable disadvantage to the taxpayer in a country which has large payments to make abroad if the rate of exchange is deliberately and artificially depressed.

It means that, among other things, the existing taxes and imposts provide a smaller amount of the external currency in which the external payments have to be made. In other words, more taxes have to be imposed or the date of reduction of taxation has to be postponed. Natural causes connected with world movements of exchange and prices have recently tended to raise the exchange value of the rupee; why should the taxpayer be arbitrarily deprived of this advantage which has come to him from natural causes? Is it not far better to let natural causes continue to operate as the Government of India propose and leave the final decision of the ratio to be determined by the Currency Committee in the light of the further experience which a few more months will give us, when, in addition to dealing with the wider questions which must come before them, the Committee can finally fix the ratio at whatever figure may be most truly in the interests, not of this or that section, not of the producer or the consumer, or the taxpayer, considered in isolation, but in the best interests of India as a whole?

Expenditure.

Military Services.

47. I will now deal with the estimated expenditure for the year 1925-26 and begin with the largest item, Military expenditure. We are providing in our Budget for a gross Military expenditure of 60·26 crores, and a net Military expenditure of 56·25 crores. The House will not fail to observe the close approximation between the figures for our net military expenditure in the last three years which have come under review to-day, namely, the actual expenditure for 1923-24, the revised Budget for 1924-25, and the Budget estimate for 1925-26.

48. But in order to bring out the continuous and substantial reduction which has taken place in our expenditure on Military services, I propose to go back for a moment to 1920-21. Our net Military expenditure in 1920-21 was 87·38 crores; in 1921-22 69·80 crores; in 1922-23 65·27 crores; and in 1923-24 56·23 crores, a figure, it will be observed, well below the figure proposed for that year by the Retrenchment Committee. These are the actual ascertained figures. The expenditure in 1920-21 was inflated by heavy outgoings in connection with the special operations in Waziristan and the North-West Frontier, while in 1921-22 similar abnormal conditions continued but on a reduced scale. The Budget estimate for Military expenditure in 1922-23, which formed the basis for the examination conducted by the Retrenchment Committee, amounted to 67·75 crores. After an exhaustive examination of all the various branches of Military administration, that Committee recommended that the net Budget estimate for 1923-24 should be fixed at 57¾ crores, subject to such addition as might be necessary on account of delay in carrying out the proposed changes and of any special expenditure that might be necessary over and above the established charges. The Committee recognised that in the near future there would be a considerable falling off in expenditure in consequence of the liquidation of liabilities arising out of the war, such as gratuities to demobilised officers. They expressed the opinion that the adoption of their recommendations would enable the estimates in subsequent years to be reduced to about 57 crores, and ultimately, should a further fall in prices take place, to 50 crores. But, as stated by the Committee, the Commander-in-Chief was unable to subscribe to this latter expression of opinion.

49. I have already explained to the House that the actual expenditure in 1923-24 proved to be 56¼ crores. To this there must be added 3 crores representing the utilisation of stocks without replenishment. For 1924-25 the revised figures point, as I have explained to the House, to a total expenditure of 56·33 crores; but here again there is additional expenditure in kind due to the using up of stores without replenishment amounting to 1·10 crores. For the purposes of comparison with the current year, therefore, the true expenditure of 1923-24 should be taken at 59¼ crores and the true expenditure of 1924-25 at 57·43 crores. Once again in 1925-26 we hope to be able to utilise stores without replenishment to a total of 70 lakhs. The estimate of net cash expenditure for the year is 56·25 crores, making a total of 56·95 crores for expenditure in cash and kind taken together.

50. In compiling the Budget for 1925-26 we have to take the actual figures for 1923-24 and the latest revised figures for 1924-25. These give us a basis of compilation which may be regarded as reasonably normal. The estimates for 1925-26 have been under consideration since July last by a Sub-Committee of the Executive Council appointed for this special purpose by His Excellency the Viceroy. As I foreshadowed in my Budget speech a year ago, specially heavy provision is necessary in 1925-26 for terminal charges on account of gratuities to demobilised officers. The amount required for this purpose is 1·71 crores, nearly a crore more than the Revised estimate in the current year. We are, however, approaching the end of these abnormal terminal charges, and we anticipate that in 1926-27 the final balance required to liquidate our total liability will amount to a few lakhs only.

51. If all abnormal items are excluded, the estimates for the established charges of the Army for 1925-26 amount to 55 crores. These estimates include not only 27 lakhs on account of the item introduced for the first time last year in respect of Customs duty on imported stores, but also an entirely new item for charges for stationery and printing for the Army amounting to 13 lakhs transferred from Civil expenditure in accordance with the recommendations of the Public Accounts Committee. The provision for anticipated additional charges on account of the revision of pay and passage allowances for the officers of the Army in India in 1925-26 amounts to 45 lakhs. A special provision of 43 lakhs is included for buildings for the Royal Air Force and for the continuation of building schemes in Waziristan now approaching completion. The expenditure on the purchase of army stores in India and in England has been reduced by about 1·70 crores. In spite of the large and continuous reductions which, as I have shown, we have been able to effect in Army expenditure since 1920-21, and of the further appreciable reduction shown in the estimates for 1925-26, I am happy to say that, subject always to our being spared the necessity for expenditure on those active military operations which are the nightmare of every Finance Member, I confidently look forward to a further important reduction in 1926-27.

52. Before leaving the Military estimates I wish to draw attention once more to the stores account of the Army. At the time when the Retrenchment Committee sat, the amount of money locked up in Military stores was estimated at 20½ crores. This figure has now been reduced by 4 crores to 16½ crores on the 31st March 1925. If our Budget anticipations for 1925-26 are realised, there will be a further reduction by 70 lakhs to approximately 15¾ crores on the 31st March 1926. This sum represents

mainly working and mobilisation reserves and the actual balance of stores surplus to requirements will not be of any considerable extent.

Civil Expenditure.

53. I have already dealt with the provision to be made for 1925-26 for reduction or avoidance of debt and with the reduction of 57 lakhs in Opium expenditure expected to result from restriction of the cultivated area and reduction of the price to be paid to cultivators of opium. The net expenditure on account of interest on debt and other obligations will be less than in 1924-25 by 97 lakhs owing to a large increase in the amount of interest due on Railway investments and on loans to Provincial Governments. A provision of 16 lakhs is being made for new civil works and a somewhat higher scale of expenditure has also been allowed for under the heads of ordinary maintenance and repairs. This head, however, shows a large decrease owing to a reduction in the special expenditure in Waziristan.

Additional expenditure on beneficial services.

54. I feel particular satisfaction in drawing the attention of the House to the fact that we have been able, concurrently with the reduction we have made in Military expenditure, to provide additional sums quite appreciable in aggregate amount for education, research and other beneficial services both in the General Budget and in the Budgets for the areas directly administered by the Central Government. By way of example, I may mention in particular the restoration of 3 lakhs out of the grant of 5 lakhs for the Indian Research Fund which was suspended two years ago on the recommendation of the Retrenchment Committee; the provision of increased grants for the Islamia College in Peshawar and other colleges in the North-West Frontier Province; additional expenditure for the Forest Research Institute at Dehra Dun; increased grants to the Department of Agriculture for erecting a sugarcane breeding station at Coimbatore, and a larger provision for the Agricultural Institute at Pusa.

Precautions against over-estimating.

55. In connection with the prevention of over-budgetting I draw attention to the fact that we have for the first time this year adopted, as an experimental measure, the system of making lump reductions in some of the more important heads of expenditure to allow for probable savings. The total cut thus made in the estimates of Civil expenditure amounts to 15 lakhs. A similar cut of 20 lakhs has been made in the Military estimates. We hope that the system can be so developed as to provide an effective check against the possibility of over-estimating to which the Public Accounts Committee has this year devoted considerable attention. When departmental officers frame their Budgets, they naturally provide for the full sanctioned strength, but small savings invariably occur under individual heads of expenditure due mainly to accidental causes such as a temporary shortage of staff, smaller expenditure on leave salaries and the like. It is impossible to foresee and allow for such savings individually, but in the aggregate they may be considerable. It may be that the particular cuts we have made will not be justified by results, but I have no doubt that on the whole the total reduction will be fully realised. This course is not altogether convenient in that it restricts, and possibly unduly restricts, the opportunity for reappropriation which is frequently necessary in order to meet small casual excesses, and it may have the further inconvenience of forcing us to come before this House for supplementary grants. But the Finance Department will certainly do its best to secure that such supplementary grants shall

not be necessary if it can possibly help it, and when they are really necessary, I feel sure that the House will recognise the fact. I believe the principle is a sound one in itself; it has recently been adopted on the recommendation of the Public Accounts Committee in England in respect of the British Army Estimates, and I confidently hope that it will in the end lead to more accurate budgetting.

Should expenditure be shown gross or net?

56. Our total expenditure including the charge for interest on Railway capital for 1925-26 is estimated at 130·44 crores Excluding Railways altogether, it amounts to 101·78 crores. The question whether we should show our expenditure gross or net is an important one in which the Public Accounts Committee this year took considerable interest though in the end for lack of time they had to leave the solution of the problem to their successors. I refer those who are interested to Appendix X to Volume I of the Report of the Public Accounts Committee, dated the 6th September 1924. Briefly the position is as follows. Prior to the year 1907 all receipts and charges were shown gross in the accounts, but in 1907 after discussion with the Secretary of State which had been proceeding for a number of years, the system was introduced of showing gross working expenses as a deduct entry in the case of Railways and taking net receipts only into the Budget. This method was extended later to the Irrigation and the Posts and Telegraphs Departments, and the question has now arisen whether we should extend it to all our Commercial Departments or should revert in all cases to the earlier system of showing expenditure gross.

57. I do not wish at the moment to do more than draw attention to a subject on which much may be said on both sides. The subject is particularly important in connection with the control of the Assembly over the expenditure of the Executive. Under the developed theory of Votes in Supply and of Appropriation, the British Parliament is entitled, and indeed required, to vote all expenditure of every kind (except of course such expenditure as is included in the Consolidated Fund charges and is not voted annually). If Parliament does not vote expenditure gross its control over the expenditure of the Government is weakened, in so far as the latter has receipts which it can use for meeting expenditure and can come to Parliament for authority merely for that part of its expenditure which cannot be met from such receipts. For the purpose therefore of the voting of Demands for Grants, it is desirable that this Assembly should deal with gross expenditure, but when the gross amount of expenditure required is fully explained in the Demands for Grants, there is considerable advantage in dealing mainly with net expenditure in the Budget estimates. The inclusion of the gross working expenses of the Railways, for example, obscures the true facts regarding the real expenditure of the State, and now that the Railway Budget has been separated from the General Budget, there is good reason for excluding all Railway items. The practice of showing our Opium revenue gross has given an exaggerated notion of our dependence on this source of income. If a clear picture is to be given of the true financial position of the country, the receipts from sources other than taxes which are available to meet particular expenditure can with advantage be treated in the Budget statement as a deduct entry. In statement D of the Budget Honourable Members will find the figures of net expenditure and in the Secretary's Explanatory Memorandum a statement of the amount of gross expenditure divided into voted and non-voted respectively, and I trust they will find these of interest.

Revenue.

Customs.

58. I now turn to the estimates of our revenue. In 1924-25, if we ignore the non-recurring refund of 2·80 crores, our net Customs revenue is now estimated at 47·56 crores. We cannot count on a repetition in 1925-26 of the unusually high receipts from cotton piece-goods, sugar and cotton excise duty, as well as from protective duties. I accordingly place the estimate for 1925-26 at 46·35 crores, or 1·21 crores less than in the current year.

59. In this figure I have made allowance for the effect of the adoption of some minor proposals for reduction in our Customs tariff. These are in the main on the same lines as the proposals which were made in the Finance Bill as originally introduced a year ago, but fell out when the Finance Bill was revised. They include the abolition of the import duty of 2½ per cent. on grain and pulse, the reduction from 15 per cent. to 2½ per cent. *ad valorem* of the duty on reeds, healds, and various other articles, chiefly used in power looms, and finally the modification of the duties at present imposed on petrol in such a way as to fix the duty to be paid by all petrol alike whether imported or home produced at 4 as. a gallon in place of the existing duties of 6 as a gallon for home produced petrol and 8½ as. a gallon for imported petrol. These proposals are recommended by the Government in the interests of trade, and the House will have an opportunity of considering them in detail when the Finance Bill is taken into consideration. Their effect on our revenues is inconsiderable. I may mention here that we do not propose to invoke the assistance of the Provisional Collection of Taxes Act either in order to bring these proposals into effect before the Finance Bill becomes law or for any other purpose in connection with the Finance Bill this year.

Taxes on Income.

60. On the whole the year 1924-25 has been better for trade than the previous year, though the cotton mill industry has continued somewhat stagnant. But as I have already observed, our original estimate of revenue from Taxes on Income for 1924-25 proved unduly sanguine. For 1925-26, I put the total at 17·35 crores, which is 88 lakhs higher than the Revised estimate for the current year, but still 87 lakhs below the original Budget estimate of that year, and I trust, considerably below the figure which our receipts from Taxes on Income will reach in a year following a period of really good trade.

Salt.

61. In my Budget speech last year I spoke of a prospective reduction of 2·16 crores in 1925-26 under the head of Salt as compared with the figure of 1924-25. We are justified in assuming that the yield of the salt duty will be a normal one in the coming year, and I now put the revenue at 6·95 crores. This is less by 79 lakhs than the revised figure for 1924-25 which was swollen by collections at the higher rate of duty in force in 1923-24 under the system of credit sales. The fact that the reduction amounts to 79 lakhs only is due to the circumstance, which I have already explained, that 1·31 crores of Salt revenue originally expected to accrue in 1924-25 were thrown back into 1923-24.

Opium.

62. I have already dealt with our estimates of Opium revenue which amounts to 3·56 crores gross and 1·76 crores net. Our receipts include a non-recurring amount of about 20 lakhs under excise opium resulting from a change in procedure under which Local Governments will take over from us on payment the

stocks of excise opium held in treasuries on the 1st April 1925 and will in future make payment to us on receipt instead of as at present only at the time of sale to the public.

Railways.

63. The fixed contribution from Railways to general revenues will, as in the present year, be based on the figures of 1923-24 and amounts to 5·09 crores. In addition, as the House is already aware, we expect to receive some 15 lakhs representing one-third of the excess over 3 crores expected to be transferred to the Railway Reserve. Our total receipts from Railways for 1925-26 are therefore put at 5·24 crores as compared with 5·64 crores in 1924-25.

Posts and Telegraphs.

64. I have explained the estimates of the Posts and Telegraphs Department for 1925-26, but there is one important consequence of the change in our accounting procedure in connection with the treatment of postal and telegraphic stores which I must mention here. Hitherto such stores have been paid for from Revenue at the time of original purchase and credited to a Suspense account within our Revenue account which is cleared when the stores are actually issued either for revenue or capital purposes, a corresponding credit being taken to Revenue. This has been found very inconvenient in practice and our Revenue accounts have been affected by considerable fluctuations in the amount of these stores balances. In some years when stores were purchased for special reasons in larger quantities than usual, our expenditure has been inflated. In the last few years when purchases have been restricted and we have lived on accumulated stocks, the large credit to Revenue was taken as a reduction in our expenditure. This made comparisons over a series of years difficult. We have now decided on the advice of the Auditor General to keep these transactions outside the Revenue account. The immediate effect of this procedure will, however, be that there will be a large credit to Revenue in the course of 1925-26, in respect of the value of stocks held on Revenue account on the 31st March 1925, which is estimated to be 1·24 crores. New stores purchased during the year will, however, no longer be debited to Revenue. The actual addition to Revenue caused by this change of procedure in 1925-26 amounts to about 69 lakhs which represents the estimated value of the net new purchases as we anticipate that the amount of stores in stock and in workshops will be reduced to that figure by the 31st March 1926. But it is clear that in the first year in which the change is made the result must be a non-recurrent receipt of 1·24 crores which will not re-appear in the following years.

Other Revenue heads.

65. Under other heads of Revenue I have allowed for a reduction in Interest receipts owing to smaller balances being available for temporary investment, but the Currency receipts are expected to exceed those of 1924-25 by 25 lakhs chiefly because of the larger discount on Treasury Bills issued to the Paper Currency Reserve during the current year.

Interest on Paper Currency and Gold Standard Reserve investments.

66. Our estimates of revenue assume a continuance of the practice of appropriating to revenue the interest on the Paper Currency Reserve and the surplus of the Gold Standard Reserve over £40 millions. This practice has now been adopted for several years in succession, and I should not have thought it necessary to dwell on it if its correctness had not recently been challenged in this House. Both the Paper Currency Reserve and the Gold Standard Reserve, though they are kept distinct and have different titles, are in essence Currency Reserves. The profits on the issue of currency are in most countries treated as an

ordinary and legitimate source of income, as for example, in the United Kingdom. But the House will remember that the Babington Smith Committee recommended that so long as *ad hoc* securities in the Paper Currency Reserve remained outstanding, these particular receipts should not be treated as revenue, but should be applied to writing down the *ad hoc* securities. The purpose which the Committee had in mind in making this recommendation was to bring about a steady contraction in the then inflated amount of our paper currency and to earmark a specific source from which such contraction could be paid for. Conditions have now entirely changed and there is no reason to take special steps to contract our currency. Indeed, the same honourable members who have challenged the practice of crediting these receipts to Revenue have been the loudest in their objections to any further contraction of the currency. If these receipts are not treated as revenue and are not applied for the purpose of contracting the currency, the only alternative is to treat them as Capital receipts, and this is indeed the effect of the proposal made by one of my critics that they should be applied to the purchase of Government of India rupee securities in order to replace the *ad hoc* securities. So long as the Government of India has a large capital programme of new expenditure, it would obviously be necessary for it to re-borrow in a new form the amount of money spent on purchasing blocks of securities representing its existing debt for the Paper Currency Reserve. The procedure proposed amounts simply to the substitution of securities purchased in the market for *ad hoc* securities, and as I explained at some length on a previous occasion, there is in essence no difference between the two forms when held as cover for paper currency. Both are in fact nothing more than I. O. U's. of the Government of India held as cover for I. O. U's. payable on demand. The net effect therefore of adopting this suggestion would simply be to increase the amount of our provision out of Revenue for reduction or avoidance of debt, and I observe with interest that the gentleman, who made the proposal, has followed it up by complaining that our provision for reduction or avoidance of debt is already too high.

Surplus.

67. We are now in a position to strike a balance. The total estimated revenue for 1925-26 amounts to 133·68 crores as against an estimated expenditure of 130·44 crores, disclosing a surplus of 3·24 crores. But before considering the nature of this surplus and the use to be made of it I must turn to the subject of Ways and Means.

Ways and Means.

68. The following statement summarises the Ways and Means position in India and England taken together during 1924-25 and 1925-26:—

[In crores.]

	Revised, 1924-25.	Budget, 1925-26.
Railway capital outlay	12·9	23·0
Delhi and Posts and Telegraphs capital outlay	3·0	3·7
Discharge of funded debt, debentures, etc.	4·5	11·0
Discharge of Treasury Bills with the public	2·1	...
Loans to, and drawings by, Provincial Governments	12·0	11·0
Miscellaneous outgoings	7·7	...
	42·2	51·7

[In crores].

	Revised, 1924-25.	Budget, 1925-26.
Revenue surplus	4·0	0·7
Rupee loan	13·2	12·0
Cash Certificates	4·6	4·2
Savings Bank deposits and other unfunded debt	5·1	5·6
Appropriation for reduction or avoidance of debt (including sinking fund payments)	3·8	5·0
Railway Reserve Fund and Railway and Posts and Telegraphs depreciation funds	6·2	4·9
Miscellaneous receipts	...	1·4
Reduction of cash balance	5·3	17·9
	42·2	51·7

69. In 1924-25 our total liabilities are considerably less than the Budget estimate. The reduction is mainly due to the failure of the Railways to spend the sum provided for capital outlay. The continued issue of Cash Certificates on the improved terms introduced in April 1923 is estimated to give the satisfactory net receipt of 4·60 crores instead of 1·50 crores as estimated, and our revenue surplus for 1924-25 is better by 3·82 crores. The sum raised by our rupee loan was nearly 7 crores less than the figure assumed in the Budget. It was estimated a year ago that we should close the year 1924-25 with a balance of 18·68 crores. We now anticipate that the balance will be 36·19 crores. Though our balance is larger than we originally anticipated, it nonetheless shows a reduction of about 5·3 crores as compared with our opening balance.

70. For 1925-26 Railway capital outlay is estimated, as the House is aware, at 23 crores. We have also to provide during the year for the maturity of about 3½ crores of 1925 War Bonds. Loans to Provincial Governments mainly for capital development purposes are put at about 14 crores, and about 1½ crores are required for the new Imperial Capital at Delhi. I may mention that the gross outlay to the end of 1924-25 on new Delhi is estimated to amount to 11·26 crores, and the net outlay to 10·94 crores. The first step towards the occupation of the Secretariat was taken in the autumn of 1924 when the Accountant General, Central Revenues, and the Taxation Inquiry Committee were given office accommodation there. The work is now well within sight of completion, and after a year or two this special form of capital expenditure will disappear finally from our Budget.

Rupee Loan.

71. Our position at the end of 1924-25 in regard to balances will be a strong one both in India and in London. In India I anticipate that the maximum amount of new money that we shall require to raise by a rupee loan in the open market will be 12 crores, a figure which is well within the amount of the annual savings of India available for investment in Government securities. But as I recently explained to the House, the question of beginning operations for the conversion of early maturing bonds is one which is engaging the close attention of the Government of India. I am not in a position to make any statement on the subject at present, but it is not improbable that when we approach the market for our new rupee loan we shall also put before the public a conversion offer.

External borrowing.

72. The last external loan which we issued was in May 1923 when £20 millions sterling of India 4½ per cent. Stock was offered to the public at 90. We were fortunate in our choice of date for this issue, as generally speaking the prices of gilt-edged securities on the London market stood at a higher level at that period than they have done at any time since. In 1924-25 we were able to avoid new external borrowing altogether, and I am glad to be able to say that we have every expectation of repeating this happy abstention again in 1925-26. This will be a particularly satisfactory achievement in that we have to provide in the summer of 1925 for paying off about £2½ million of Great Indian Peninsula Railway guaranteed stock when that Railway is taken over by the State. Apart therefore from the ordinary sinking funds which are operating to repay the sterling debt, we shall thus be converting this amount of India's capital obligations abroad into an internal liability. The nominal total of our external debt will, however, be increased in 1925-26 in consequence of the taking over of the debenture stock of the Great Indian Peninsula Railway to the amount of £3½ million, just as it was increased in 1924-25 by taking over the debenture stock of the East Indian Railway, increases which, as I have already pointed out, do not represent additions to India's external liabilities but simply a change in the form of an existing debt.

Remittances.

73. There has been a strong and continuous demand for rupee exchange throughout the year, and we anticipate that our total remittances during 1924-25 will amount to £42 millions. We have already remitted about £40 millions, of which about £33 millions have been obtained by the purchase of sterling in India. It has been necessary, in view of the general cash position in India, to transfer the equivalent of £6 millions from the Paper Currency Reserve in India to our treasury balances against a corresponding transfer in London, and for the purposes of the Ways and Means statement we are assuming that the total of such transfers during 1924-25 will amount to £6 millions. For 1925-26 we have taken a figure of £31½ millions for remittances from India.

Final Proposals.

74. I remarked in my Budget speech a year ago—and subsequent events fully justified me—that although a Finance Member always desires above all a Budget surplus, he frequently finds it the cause of more embarrassment to him than any other part of his Budget. Once again in 1925-26 we have a surplus to dispose of amounting, as I have already said, to 3·24 crores. The first necessity is to examine the nature of this surplus carefully and see how far it can be regarded as a true recurrent surplus. Thanks to the separation of Railway Finances from General Finances, we are no longer in doubt regarding the permanence of that part of our revenue which represents the contribution from the Railways to the general taxpayer. We have made a satisfactory provision out of revenue for a regular programme of reduction or avoidance of debt, and though there is, as always, much new expenditure which might be regarded as desirable or even urgently necessary out of Central revenues, we have at any rate been able to provide this year for some of the most valuable of the beneficial items of expenditure which had to be dropped during the period of special stress. On the other hand, if it is urged, as it well might be, that an unfavourable monsoon cannot be regarded as an improbable event in this year or next, I can reply that the separation of Railway Finance reduces the influence of the monsoon on our General Budget

figures, that our estimates are not dependent for their realisation on the monsoon's proving an exceptionally good one, and that, if we take a reasonably wide view of the general prospects, we are entitled to hold that India is not altogether without a reservoir of financial power stored against a rainless day.

75. But there are three items on the receipt side of our account which are definitely of a non-recurrent character I refer to the 1·24 crores credit to Revenue from the issues of postal and telegraphic stores, the final credit of 13 lakhs from enemy ships and about 20 lakhs non-recurrent Opium revenue to all of which I drew attention earlier in the evening. In our Military Budget also we have to make allowance for the fact that the process of eating down our stores is still continuing during 1925-26, and that approximately 70 lakhs of such stores are expected to be consumed during the year without replacement. To the extent of 2·27 crores therefore the surplus as shown above is swollen by receipts of a non-recurrent character. But, on the other hand, we have in our Military Budget 1·71 crores of expenditure in connection with the disbandment of surplus officers, which represents a non-recurrent item of expenditure, and to this extent our normal surplus is made to appear less than it otherwise would be. Taking all these items together, we are justified in concluding that in any case 2·68 crores of the surplus represents a true recurring surplus. I shall no doubt be reminded that the position in regard to exchange introduces a further doubt. The House must, however, remember that now that the Railway Budget is separated from General Finances, exchange transactions in regard to Railways do not affect our General Budget to any appreciable degree. To that extent exchange fluctuations are of less moment to our finances than previously. Moreover, we do not overlook the possibility—I hope the probability—of a continued reduction in our Military expenditure, and we are justified also in looking forward hopefully to a considerable improvement as time goes on in our receipts from Taxes on Income. The Government of India have therefore come to the conclusion that they are justified in making proposals for giving up 2½ crores out of the surplus in favour of whatever claimant or claimants may be held to be deserving.

76. Are there any such claimants, and who are they? It is too late, I fear, for me as Finance Member to put in a claim on behalf of the taxpayer of the future and ask that the sum should be devoted to the reduction of debt. But there are many members I know who would like to see the charges for letters and postcards reduced. I sympathise entirely with the importance which is attached to the cheapening of communications of all kinds, but are we in a position this year to do anything in regard to postal rates? The dictum that taxation of communication is bad taxation applies to the Posts and Telegraphs Department quite as much as to Railways. The Department undertakes some tasks which in many countries are undertaken by private enterprise paying taxes and royalties to the State in return for the concessions granted. There may therefore be some justification for claiming a small contribution to general revenues from the Posts and Telegraphs Department, but it should in no circumstances be more than a small one. The converse, however, is also true. I see no justification for making the general taxpayer pay heavily for the cost of facilitating private correspondence. The Posts and Telegraphs Department is emphatically a business concern which should pay its way. If once we depart from this principle, there is no end to the possible burden which might be imposed on the taxpayer and the task of keeping working

expenses down and securing economical and efficient management is made immensely more difficult. The figures which I have given to the House show that both in the current year and in the next the revenue of the Department does not quite balance the expenditure under the system of commercial accounting. It may be that better trade and further improvement in the direction of economical and efficient management within the Department may enable us to take a different view a year or two hence, but it is clearly impossible to-day to contemplate any reduction in postal charges.

77. Moreover any such reduction could only be made at the expense of our general revenue surplus, that is, at the expense of the other claimants, and whatever else may be said, it is clearly unjust that the Posts and Telegraphs Department should be subsidised at the expense not of the general taxpayer but of the taxpayers of particular Provinces. And this is what is involved in 1925-26, if we devote any part of our surplus to a reduction of postal charges, since such action would limit our capacity to reduce the Provincial contributions.

Provincial contributions.

78. This brings me to the one claimant whose claim by common consent must come first. There is really no room for uncertainty in regard to the position. The Government of India have repeatedly said that their financial policy has been, is being, and will be, directed to the reduction and eventual extinction of the Provincial contribution at the earliest possible date. So long as any of the Provincial contributions are outstanding, we cannot devote our surplus to reduction of postal charges (unless this can be done out of the surplus of the Posts and Telegraphs Department's Budget itself) or to the reduction of Central taxation, without failing to live up to this promise which has been given to the Provinces without qualification. The Provinces were disappointed a year ago. We cannot disappoint them again.

Bengal contribution.

79. At this point I must refer to an item of 63 lakhs representing the contribution from the Government of Bengal which automatically falls due to be paid from 1925-26 onwards, unless the three years' moratorium previously granted is now extended. I have not included this item in the figure of 3·24 crores given as the amount of the surplus. My reason for omitting this is that it could hardly be regarded as part of our normal revenue in 1925-26 by any one who is familiar with its previous history. If the Government of India were still in the position in which they were in 1921 of being unable to balance their Budget without extra taxation, or even if their Budget just balanced but left no surplus over for the reduction of the contributions of other Provinces, the claim of Bengal to an extension of the period of remission of its contribution might not perhaps have been a very strong one. But in view of Bengal's special claim for consideration emphasised by the Joint Select Committee of Parliament, and in view of the fact that we are now in a position to begin the reduction of the contributions of other Provinces, the Government of India after a careful and detailed study of the case have come to the conclusion that Bengal must be given some further respite before being brought into line again with the other Provinces.

80. The Government of India therefore propose that 74 lakhs out of the surplus of 3·24 crores should be kept in hand as a margin against possible disappointments or misadventures during 1925-26, and by way of security against any deterioration in the position of Central finances in 1926-27; that the remainder of the surplus, namely, 2½ crores, should be devoted to the reduction of Provincial contributions and should be applied in accordance

with the order of priority between the Provinces definitely established under the Devolution Rules; and that in addition the contribution of 63 lakhs due from Bengal should be remitted for a further period of three years. The provinces entitled to a share in the 2½ crores in accordance with the Devolution Rules are—

Madras, whose contribution of 348 lakhs will be reduced by 126 lakhs,

United Provinces, whose contribution of 240 lakhs will be reduced by 56 lakhs,

Punjab, whose contribution of 175 lakhs will be reduced by 61 lakhs, and

Burma, whose contribution of 64 lakhs will be reduced by 7 lakhs.

(An Honourable Member " What about Bombay ").

81. It is desirable that I should mention a minor point arising in connection with the proposed reduction of the Provincial contributions. When a year ago we passed the Act abolishing the proviso to Section 20 of the Sea Customs Act and Government stores ceased to be imported free of duty, we entered into a temporary arrangement, partly because we were pressed for time, under which in 1924-25 we are repaying to the Provincial Governments the duty on Government stores imported by them. This arrangement is admittedly unsatisfactory. Considerable administrative inconvenience is involved in this system, and it is open to the grave objection that it defeats an essential purpose of Indian policy which was one of the main justifications for the passing of the recent Act, in that, whatever procedure is adopted, it still pays a Provincial Government to buy stores in England and get the duty refunded by the Central Government rather than to buy them in India at the import price *plus* duty. This is unavoidable so long as any refund of duty is permitted. The Government of India are not bound by any promise to continue such refunds, and they propose simultaneously with the reduction or remission of the contributions in the case of the five Provinces concerned to discontinue the refund of duty in their case as from the 1st April 1925. The amount involved is trifling, and does not amount to more than about 20 lakhs for all the nine Provinces together. The only Province where the arrangement is of real importance is Bombay to whom about two-thirds of the 20 lakhs falls to be paid. It might be thought inequitable in present circumstances to refuse to continue the refund of duty in the case of Bombay, but the Government of India propose to take the question up with the Bombay Government as well as with the other Governments to whom refunds will still be payable, with a view to arriving at some solution which will obviate the objections to the existing arrangement.

82. In order to give the House a convenient opportunity of considering the important subject of the reduction of the Provincial contributions, the Government of India propose to bring forward a Resolution inviting the concurrence of the Assembly in the proposals set out in paragraph 80 above. This Resolution will be taken directly after the Finance Bill has been considered and passed.

Conclusion.

83. Those whose memory carries them back to the Budgets introduced in the first Assembly in March 1921 and March 1922, and those who have as vivid a recollection as I have of the Budget discussions of March 1923,

cannot fail to be impressed by the contrast between then and now. The members of the first Assembly co-operated unhesitatingly with the Government in the unpopular task of making heavy additions to our taxation in 1921 and 1922. Two years ago when the Budget for 1923-24 was introduced, not only had we to contemplate the picture of five successive years of deficits aggregating nearly 100 crores, but we had still to face a serious gap on the revenue side of the account between our revenue and our expenditure in the year then ahead of us. In spite of drastic retrenchment involving the sacrifice of many useful and desirable objects of expenditure; in spite of the postponement of many items ultimately unavoidable with the certainty that the necessity of meeting them would add to the difficulties of succeeding years; and in spite of the heavy increases in taxation in 1921-22 and 1922-23—we found ourselves once again compelled to ask for the imposition of a further burden. Last year in presenting the Revised estimates for 1923-24 I was able to assure the House that our sacrifices had not been without reward, but it was still not possible to say with certainty that the year would end with an actual surplus of ordinary revenue over ordinary expenditure. Meanwhile in all the nine Provinces financial difficulties were beclouding the bright hopes of those who had been responsible for the initiation of the Reforms. The Provincial Governments and particularly the Ministers on whose shoulders the Reforms have placed the duty of fostering the spread of education and sanitation among the masses of the Indian people and of assisting the agricultural and industrial development of the country found themselves without the financial resources required even to maintain those beneficial services at the level at which they found them.

84. To-day we are in a happier position and we can look back with quiet satisfaction on realised surpluses of substantial amounts both in 1923-24 and in 1924-25, the latter secured in spite of the reduction of the salt tax to the figure at which it stood before the increase made the year before. Better still, for the year now ahead of us we have not merely the prospect of securing a realised surplus once again, but we are also taking a real and substantial step forward towards the eventual extinction of the Provincial contributions, and are thereby giving new hope to those who are working the Reformed Constitution of India in the Provinces and fresh encouragement to devote their energies to the task of building up a new India without the exasperating restrictions imposed by financial penury. For this result we must pay the tribute of thanks which is so justly due to those who went before us. We are now able to appreciate in better perspective the value of the achievements of those who carried the burden in the dark and difficult years immediately succeeding the War. We are reaping to-day some of the fruits of the labours of the first Assembly, of Sir Malcolm Hailey, my predecessor in the office of Finance Member, and of the members of the Retrenchment Committee. I am sure that all of them will feel, on seeing our position to-day, that if the realisation of their hopes has been long deferred, their labours have not been in vain.

85. But if by contrast with the past our position now seems a brighter one, we cannot be blind to the vastness of the work still to be done. Apart from the Bengal contribution, there are still 6¾ crores of Provincial contributions between us and the day when the Central Government's Budget can be balanced without assistance from Provincial sources, and the task of reducing the level of Central taxation actively begun. In all countries of the world the war and its aftermath have raised the level of taxation high. Few countries have escaped as lightly as India, but the level of

taxation here is nevertheless much above the pre-war figure. Our disposable surplus in 1925-26 takes us only a step towards our immediate goal. The steep hill which we have painfully climbed has but brought us within distant view of the higher peaks towards which we aspire. We have grounds to-day for sober satisfaction: we have none for premature elation or for any slackening in our endeavour. I can offer India no better motto to-day than my own old family device: *nous travaillerons en esperance*, " we will work in hope ".

BASIL P. BLACKETT.

The 28th February 1925.

Statement comparing the actual Revenue and Expenditure of the Central Government (Imperial Revenue and Expenditure before the Reforms) with the Revised Estimates for each year from 1914-15 to 1923-24.

(*See* paragraph 11 of speech.)

[In thousands of Rupees.]

	Revised Estimate.			Actuals.		
	Revenue.	Expenditure.	Surplus (+) Deficit (−).	Revenue.	Expenditure.	Surplus (+) Deficit (−).
1914-15 . .	74,89,38	79,07,25	−4,17,87	76,15,35	78,83,14	−2,67,79
1915-16 . .	78,89,08	81,58,21	−2,69,13	80,00,96	81,79,26	−1,78,30
1916-17 . .	97,25,67	88,27,37	+8,98,30	98,53,10	87,31,37	+11,21,73
1917-18 . .	1,14,84,48	1,06,27,74	+8,56,74	1,18,70,58	1,06,57,52	+12,13,06
1918-19 . .	1,27,94,65	1,34,79,88	−6,85,23	1,30,40,66	1,36,13,72	−5,73,06
1919-20 . .	1,44,07,56	1,59,18,67	−15,11,11	1,37,13,98	1,60,79,27	−23,65,29
1920-21 . .	1,35,10,35	1,48,03,61	−12,93,26	1,35,63,32	1,61,64,17	−26,00,85
1921-22 . .	1,13,15,32	1,41,94,52	−28,79,20	1,15,21,50	1,42,86,52	−27,65,02
1922-23 . .	1,20,70,17	1,37,95,52	−17,25,35	1,21,41,29	1,36,43,05	−15,01,76
1923-24 . .	1,31,96,04	1,29,89,97	+2,06,07	1,33,16,63	1,30,77,63	+2,39,00

Budget

of the

Government of India,

February 1925.

ACCOUNTS	1923-24
REVISED ESTIMATES	1924-25
BUDGET ESTIMATES	1925-26

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I.--General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
		Rs.	Rs.	Rs.	Rs.
Revenue—					
Principal Heads of Revenue—					
Customs	A	39,69,64,296	45,01,82,000	44,76,44,000	46,35,00,000
Taxes on Income . . .	,,	18,23,55,516	18,21,97,000	16,47,26,000	17,34,87,000
Salt	,,	10,01,50,870	9,04,62,000	7,73,78,000	6,95,00,000
Opium	,,	4,24,81,654	4,33,00,000	3,68,30,000	3,55,85,000
Other Heads . . .	,,	2,28,76,225	2,22,32,000	2,08,21,000	2,23,14,000
TOTAL PRINCIPAL HEADS .		74,48,08,561	78,84,33,000	74,73,99,000	76,43,86,000
Railways : Net Receipts (as per Railway Budget) .		32,69,42,393	29,74,93,000	34,19,37,000	33,89,44,000
Irrigation : Net Receipts .	A	10,54,064	12,47,000	8,91,000	10,42,000
Posts and Telegraphs : Net Receipts	,,	96,12,687	1,07,41,000	91,14,000	68,11,000
Interest Receipts . .	,,	3,16,59,620	3,17,25,000	3,79,59,000	3,60,44,000
Civil Administration . .	,,	68,51,292	72,01,000	70,70,000	72,60,000
Currency and Mint . .	,,	3,12,73,931	3,63,86,000	3,94,93,000	4,08,07,000
Civil Works . . .	,,	37,65,245	12,36,000	12,12,000	10,18,000
Miscellaneous . . .	,,	94,78,186	67,48,000	33,50,000	43,21,000
Military Receipts . .	,,	4,81,56,397	2,75,16,000	4,16,96,000	4,01,17,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments .	,,	9,21,54,718	9,22,11,000	9,25,16,000	6,72,14,000
Extraordinary Items .	,,	2,59,65,851	...	2,55,89,000	38,33,000
TOTAL REVENUE .		1,33,16,63,305	1,30,09,37,000	1,34,82,26,000	1,31,17,97,000
DEFICIT		...	...	...	...
TOTAL .		1,33,16,63,305	1,30,09,37,000	1,34,82,26,000	1,31,17,97,000

DELHI,
FINANCE DEPARTMENT,
The 28th February 1925.

M. F. GAUNTLETT,
Auditor General.

Revenue of the Central Government, in India and in England.

	For details, *vide* Statement.	Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
Expenditure—		Rs.	Rs.	Rs.	Rs.
Direct Demands on the Revenues	B	5,44,04,114	5,54,12,000	5,45,62,000	5,38,91,000
Forest and other Capital outlay charged to Revenue	,,	...	...	21,11,000	32,93,000
Railways : Interest and Miscellaneous Charges (as per Railway Budget)	,,	26,25,21,458	25,16,79,000	28,55,02,000	28,05,70,000
Irrigation	B	16,42,189	22,85,000	21,95,000	17,79,000
Posts and Telegraphs	,,	25,37,942	—11,00,000	—62,000	—28,17,000
Debt Services	,,	17,38,41,971	18,32,51,000	17,92,04,000	18,18,06,000
Civil Administration	,,	9,33,97,308	9,80,23,000	10,26,87,000	10,97,98,000
Currency and Mint	,,	99,07,398	77,31,000	73,20,000	73,47,000
Civil Works	,,	1,70,31,590	2,06,50,000	1,93,27,000	1,68,47,000
Miscellaneous	,,	4,46,49,882	4,88,73,000	4,47,95,000	4,01,91,000
Military Services	,,	61,04,31,760	63,00,16,000	60,49,96,000	60,26,17,000
Miscellaneous adjustments between the Central and Provincial Governments	,,	37,98,778	22,65,000	56,32,000	15,74,000
Extraordinary Items	,,	3,40,96,207	...	...	25,00,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,30,77,63,547	1,29,90,90,000	1,30,82,68,000	1,30,43,96,000
SURPLUS		2,38,99,758	18,47,000	3,99,58,000	74,01,000
TOTAL		1,33,16,63,305	1,30,09,37,000	1,34,82,26,000	1,31,17,97,000

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts. Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
		Rs.	Rs.	Rs.	Rs.
Surplus	C	2,38,99,758	18,47,000	3,99,58,000	74,01,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards construction of State Railways (as per Railway Budget)		—1,02,94,634	—27,71,65,000	—27,65,45,000	—5,71,39,000
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	C	37,13,70,540	36,85,62,000	39,05,83,000	8,95,14,000
Floating Debt (net incurred)	,,	...	...	...	...
Unfunded Debt (net incurred)	,,	9,80,06,571	7,51,45,000	9,67,35,000	9,80,21,000
Deposits and Advances (net)	,,	7,19,17,040	15,42,67,000	2,48,33,000	9,03,08,000
Loans and Advances by Central Government (net Repayments)	,,	...	6,70,000	...	...
Railway Depreciation and Reserve Funds as per Railway Budget (net)	,,	...	...	6,19,65,000	4,51,68,000
Remittances (net)	,,	...	1,38,000	1,07,67,000	...
Balances of Provincial Governments (net)	,,	3,67,86,092	...	...	...
TOTAL DEBT, DEPOSITS AND ADVANCES	...	57,80,80,243	59,87,82,000	49,48,83,000	32,30,11,000
TOTAL RECEIPTS	...	59,16,85,317	32,34,64,000	25,82,96,000	27,32,82,000
Opening Balance—India	...	25,95,80,424	29,77,01,424	31,13,62,292	24,26,92,292
England	...	9,82,19,688	7,63,05,688	10,38,42,476	11,91,73,476
TOTAL	...	94,94,85,429	69,74,71,112	67,35,00,768	63,51,47,768

GCP

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT,
The 28th February 1925.

Central Government, in India and in England.

	For details, *vide* Statement.	Disbursements. Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
		Rs.	Rs.	Rs.	Rs.
Deficit.	C	...	...	...	...
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—					
Construction of State Railways (as per Railway Budget)	,,	20,79,98,472	30,00,00,000	12,85,00,000	23,00,00,000
Redemption of Liabilities involved in the purchase of Railways (as per Railway Budget)	,,	...	...	...	3,43,33,000
Construction of Irrigation Works	,,	13,104	...	16,000	27,000
Capital outlay on Posts and Telegraphs	,,	75,21,560	1,73,95,000	1,64,98,000	2,13,53,000
Initial expenditure on new Capital at Delhi	,,	1,54,73,652	1,47,00,000	1,37,00,000	1,55,00,000
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	23,10,06,788	33,20,95,000	15,87,14,000	30,12,13,000
Debt, Deposits and Advances.					
Permanent Debt (not discharged)	C	...	...	...	...
Floating Debt (not discharged)	,,	19,46,70,000	2,13,00,000	2,12,20,000	...
Deposits and Advances (net)	,,	...	...	...	...
Loans and Advances by Central Government (net Advances)	,,	3,24,930	...	1,17,01,000	14,79,30,000
Loans between Central and Provincial Governments (net Advances)	,,	10,12,11,803	12,72,62,000	9,39,20,000	...
Remittances (net)	,,	70,67,140	...	...	9,65,000
Balances of Provincial Governments (net)	,,	...	3,00,23,000	2,60,80,000	18,18,000
TOTAL DEBT, DEPOSITS AND ADVANCES	...	30,32,73,873	17,85,85,000	15,29,21,000	15,07,13,000
TOTAL DISBURSEMENTS	...	53,42,80,661	51,06,80,000	31,16,35,000	45,19,26,000
Closing Balance—India	...	31,18,62,292	13,87,36,424	24,26,92,292	13,13,10,292
England	...	10,38,42,476	4,80,54,688	11,91,78,476	5,19,11,476
TOTAL	...	94,94,85,429	69,74,71,112	67,35,00,768	63,51,47,768

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

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A.—Statement of the Revenue of the

Heads of Revenue.	Accounts, 1923-24. India.	* England.	Exchange.	Total.	Item Number.
Principal Heads of Revenue—	Rs.	Rs.	Rs.	Rs.	
I.—Customs	39,69,64,296	...	...	39,69,64,296	1
II.—Taxes on Income	18,23,55,516	...	...	18,23,55,516	2
III.—Salt	10,01,50,870	...	...	10,01,50,870	3
IV.—Opium	4,24,81,654	...	...	4,24,81,654	4
V.—Land Revenue	43,05,972	...	...	43,05,972	5
VI.—Excise	48,24,895	...	...	48,24,895	6
VII.—Stamps—					
A.—Non-judicial	8,91,390	...	...	8,91,390	7
B.—Judicial	18,80,507	...	...	18,80,507	8
VIII.—Forest	21,20,378	...	...	21,20,378	9
IX.—Registration	1,55,779	...	...	1,55,779	10
X.—Tributes from Indian States	86,77,304	...	...	86,77,304	11
Total	74,48,08,561	...	...	74,48,08,561	12
Irrigation, etc.—					
XIII.—Works for which Capital accounts are kept—Gross Receipts	19,80,951	...	...	19,80,951	13
Deduct—Working Expenses	*9,60,724*	*91*	*39*	*9,60,854*	14
Net Receipts	10,20,227	—91	—39	10,20,097	15
XIV.—Works for which no Capital accounts are kept	33,967	...	...	33,967	16
Total	10,54,194	—91	—39	10,54,064	17
Posts and Telegraphs—					
XV.—Gross Receipts	10,07,79,139	16,68,677	7,66,505	10,32,14,321	18
Deduct—Working Expenses	*9,11,24,647*	*17,22,367*	*7,54,320*	*9,36,01,334*	19
Net Receipts	96,54,492	—53,690	12,185	96,12,987	20
Debt Services—					
XVI.—Interest	82,72,484	1,60,83,154	73,03,982	3,16,59,620	21
Carried over	76,37,89,731	1,60,29,373	73,16,128	78,71,35,232	

* Sterling converted into Rupees at £1 = Rs. 10.

Central Government, in India and in England.

Item Number.	Revised Estimate, 1924-25. India.	* England.	Exchange.	Total.	Heads of Revenue.
	Rs.	Rs.	Rs.	Rs.	**ipal Heads of Reve-**
1	44,76,44,000	...	...	44,76,44,000	I.—Customs.
2	16,50,00,000	—2,00,000	—74,000	16,47,26,000	I.—Taxes on Income.
3	7,73,78,000	...	...	7,73,78,000	I.—Salt.
4	3,68,30,000	...	...	3,68,30,000	.—Opium.
5	38,43,000	...	...	38,43,000	.—Land Revenue.
6	42,83,000	...	...	42,83,000	I.—Excise.
					I.—Stamps—
7	8,53,000	...	...	8,53,000	A.—Non-judicial.
8	18,38,000	...	...	18,38,000	B.—Judicial.
9	13,06,000	...	...	13,06,000	.—Forest.
10	1,63,000	...	...	1,63,000	.—Registration.
11	85,35,000	...	...	85,35,000	.—Tributes from Indian States.
12	74,76,73,000	—2,00,000	—74,000	74,78,99,000	AL.
					ation, etc.—
13	18,88,000	...	...	18,88,000	.—Works for which Capital accounts are kept—Gross Receipts.
14	*9,46,000*	*40,000*	*15,000*	*10,01,000*	*Deduct*—Working Expenses.
15	9,42,000	—40,000	—15,000	8,87,000	Receipts.
16	4,000	...	...	4,000	.—Works for which no Capital accounts are kept.
17	9,46,000	—40,000	—15,000	8,91,000	AL.
					and Telegraphs—
18	10,34,97,000	8,20,000	8,04,000	10,46,21,000	.—Gross Receipts.
19	*9,37,55,000*	*12,78,000*	*4,74,000*	*9,55,07,000*	*Deduct*—Working Expenses.
20	97,42,000	—4,58,000	—1,70,000	91,14,000	Receipts.
					lervices—
21	90,30,000	2,10,94,000	78,35,000	3,79,59,000	—Interest.
	76,73,91,000	2,03,96,000	75,76,000	79,53,63,000	ad over.

* Sterling converted into Rupees at £1 = Rs. 10.

Item Number.	Revised Estimate, 1924-25.			
	India.	* England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
1	44,76,44,000	...	...	44,76,44,000
2	16,50,00,000	—2,00,000	—74,000	16,47,26,000
3	7,73,78,000	...	...	7,73,78,000
4	3,68,30,000	...	...	3,68,30,000
5	38,43,000	...	...	38,43,000
6	42,83,000	...	...	42,83,000
7	8,53,000	...	...	8,53,000
8	18,38,000	...	...	18,38,000
9	13,06,000	...	...	13,06,000
10	1,63,000	...	...	1,63,000
11	85,35,000	...	...	85,35,000
12	74,76,73,000	—2,00,000	—74,000	74,73,99,000
13	18,88,000	...	...	18,88,000
14	*9,46,000*	*40,000*	*15,000*	*10,01,000*
15	9,42,000	—40,000	—15,000	8,87,000
16	4,000	...	...	4,000
17	9,46,000	—40,000	—15,000	8,91,000
18	10,34,97,000	8,20,000	3,04,000	10,46,21,000
19	*9,37,55,000*	*12,78,000*	*4,74,000*	*9,55,07,000*
20	97,42,000	—4,58,000	—1,70,000	91,14,000
21	90,30,000	2,10,94,000	78,35,000	3,79,59,000
	76,73,91,000	2,03,96,000	75,76,000	79,53,63,000

* Sterling converted into Rupees at £1 = Rs. 10.

Increase (+) Decrease (—) as compared with Budget Estimate, 1924-25.	Budget Estimate, 1925-26.		Item Number.
	India.	* England.	
Rs.	Rs.	Rs.	
—25,38,000	46,35,00,000	...	1
—1,74,71,000	17,40,21,000	—4,00,000	2
—1,30,34,000	6,95,00,000	...	3
—65,30,000	3,55,85,000	...	4
—1,19,000	38,44,000	...	5
—2,70,000	41,23,000	...	6
—52,000	8,61,000	...	7
+16,000	18,56,000	...	8
—8,90,000	26,48,000	...	9
+20,000	1,63,000	...	10
—1,16,000	85,19,000	...	11
—4,10,34,000	76,49,20,000	—4,00,000	12
—3,20,000	20,57,000	...	13
—32,000	*9,21,000*	*76,000*	14
—3,52,000	11,36,000	—76,000	15
—4,000	7,000	...	16
—3,56,000	11,43,000	—76,000	17
—14,33,000	10,74,42,000	5,40,000	18
—1,94,000	*10,00,94,000*	*9,43,000*	19
—16,27,000	73,48,000	—4,03,000	20
+62,34,000	97,91,000	1,96,90,000	21
—3,67,83,000	78,32,92,000	1,8[illegible],11,000	

* Sterling converted into Rupees at £1 = Rs. 10.

Central Government, in India and in England.

Item Number.	Budget Estimate, 1925-26. Exchange.	Budget Estimate, 1925-26. Total.	Increase (+) Decrease (—) as compared with Revised, 1924-25.	Heads of Revenue.
	Rs.	Rs.	Rs.	**Principal Heads of Revenue—**
1	...	46,35,00,000	+1,58,56,000	I.—Customs.
2	—1,34,000	17,34,87,000	+87,61,000	II.—Taxes on Income.
3	...	6,95,00,000	—78,78,000	III.—Salt.
4	...	3,55,85,000	—12,45,000	IV.—Opium.
5	...	38,44,000	+1,000	V.—Land Revenue.
6	...	44,23,000	+1,40,000	VI.—Excise.
				VII.—Stamps—
7	...	8,61,000	+8,000	A.—Non-judicial.
8	...	18,56,000	+18,000	B.—Judicial.
9	...	26,48,000	+13,42,000	VIII.—Forest.
10	...	1,03,000	...	IX.—Registration.
11	...	85,19,000	—16,000	X.—Tributes from Indian States.
12	—1,34,000	76,43,86,000	+1,69,87,000	Total.
				Irrigation, etc.—
				XIII.—Works for which Capital accounts are kept—Gross Receipts.
13	...	20,57,000	+1,69,000	
14	*25,000*	*10,22,000*	—21,000	*Deduct*—Working Expenses.
15	—25,000	10,35,000	+1,48,000	Net Receipts.
16	...	7,000	+3,000	XIV.—Works for which no Capital accounts are kept.
17	—25,000	10,42,000	+1,51,000	Total.
				Posts and Telegraphs—
18	1,80,000	10,81,62,000	+35,41,000	XV.—Gross Receipts.
19	*3,14,000*	*10,13,51,000*	—58,44,000	*Deduct*—Working Expenses.
20	—1,34,000	68,11,000	—23,03,000	Net Receipts.
				Debt Services—
21	65,63,000	3,60,44,000	—19,15,000	XVI.—Interest.
	62,70,000	80,82,83,000	+1,29,20,000	Carried over.

A.—Statement of the Revenue of the Central

Heads of Revenue.	Accounts, 1923-24. India.	England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward .	76,37,89,731	1,60,29,373	73,16,128	78,71,35,232	
Civil Administration—					
XVII.—Administration of Justice . .	4,37,748	...	...	4,37,748	1
XVIII.—Jails and Convict Settlements .	7,17,750	...	...	7,17,750	2
XIX.—Police . . .	1,33,325	...	...	1,33,325	3
XX.—Ports and Pilotage	21,83,144	...	...	21,83,144	4
XXI.—Education . .	1,49,206	...	...	1,49,206	5
XXII.—Medical . .	2,76,464	...	...	2,76,464	6
XXIII.—Public Health .	1,57,093	...	...	1,57,093	7
XXIV.—Agriculture .	8,40,656	...	...	8,40,656	8
XXV.—Industries . .	420	...	...	420	9
XXVI.—Miscellaneous Departments .	19,55,486	...	...	19,55,486	10
Total .	68,51,292	...	...	68,51,292	11
Currency and Mint—					
XXVII.—Currency . .	2,73,85,906	14,84,451	6,69,617	2,95,39,974	12
XXVIII.—Mint . .	17,33,972	31	14	17,34,017	13
Total .	2,91,19,878	14,84,482	6,69,631	3,12,73,991	14
Civil Works—					
XXX.—Civil Works .	37,05,245	...	...	37,05,245	15
Miscellaneous—					
XXXIII.—Receipts in aid of Superannuation . .	30,10,977	3,64,081	1,69,403	35,44,461	16
XXXIV.—Stationery and Printing . .	13,34,927	6,515	2,923	13,44,365	17
XXXV.—Miscellaneous .	4,36,522	29,42,205	12,10,633	45,89,360	18
Total .	47,82,426	33,12,801	13,82,959	94,78,186	19
Carried over .	80,82,48,572	2,08,26,656	93,68,718	83,84,43,946	

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1924-25.			
	India.	England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
	76,73,91,000	2,03,96,000	75,76,000	79,53,63,000
1	4,40,000	...	...	4,40,000
2	5,53,000	...	...	5,53,000
3	88,000	...	...	88,000
4	24,11,000	...	...	24,11,000
5	1,67,000	...	...	1,67,000
6	1,23,000	...	...	1,23,000
7	1,80,000	...	...	1,80,000
8	9,73,000	...	...	9,73,000
9	...	...	...	...
10	21,35,000	...	...	21,35,000
11	70,70,000	...	...	70,70,000
12	2,86,58,000	52,00,000	19,32,000	3,57,90,000
13	37,02,000	1,000	...	37,03,000
14	3,23,60,000	52,01,000	19,32,000	3,94,93,000
15	12,12,000	...	...	12,12,000
16	15,62,000	3,44,000	1,28,000	20,34,000
17	9,39,000	7,000	3,000	9,49,000
18	—15,000	2,79,000	1,03,000	3,67,000
19	24,86,000	6,30,000	2,34,000	33,50,000
	81,05,19,000	2,62,27,000	97,42,000	84,64,88,000

Increase (+) Decrease (−) as compared with Budget Estimate, 1924-25.	Budget Estimate, 1925-26.		Item Number.
	India.	* England.	
Rs.	Rs.	Rs.	
−3,67,83,000	78,82,02,000	1,88,11,000	
−7,000	4,41,000	...	1
−2,31,000	5,89,000	...	2
−10,000	88,000	...	3
+1,62,000	24,24,000	...	4
+37,000	1,28,000	...	5
+14,000	1,21,000	...	6
+1,00,000	1,80,000	...	7
−57,000	9,52,000	...	8
...	...	...	9
−1,39,000	23,37,000	...	10
−1,31,000	72,60,000	...	11
+10,51,000	3,09,41,000	55,00,000	12
+20,56,000	25,31,000	1,000	13
+31,07,000	3,34,72,000	55,01,000	14
−24,000	10,18,000	...	15
−4,41,000	15,39,000	3,17,000	16
+86,000	11,27,000	6,000	17
−30,43,000	7,07,000	3,88,000	18
−33,98,000	33,73,000	7,11,000	19
−3,72,29,000	82,83,25,000	2,50,23,000	

*Sterling converted into Rupees at £1=Rs. 10.

Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1925-26. Exchange.	Total.	Increase (+) Decrease (−) as compared with Revised, 1924-25.	Heads of Revenue.
	Rs.	Rs.	Rs.	
	62,70,000	80,82,83,000	+1,29,20,000	Brought forward.
				Civil Administration—
1	...	4,41,000	+1,000	XVII.—Administration of Justice.
2	...	5,89,000	+36,000	XVIII.—Jails and Convict Settlements.
3	...	88,000	...	XIX.—Police.
4	...	24,24,000	+13,000	XX.—Ports and Pilotage.
5	...	1,28,000	−39,000	XXI.—Education.
6	...	1,21,000	−2,000	XXII.—Medical.
7	..	1.80,000	...	XXIII.—Public Health.
8	...	9,52,000	−21,000	XXIV.—Agriculture.
9	...	...	...	XXV.—Industries.
10	...	23,37,000	+2,02,000	XXVI.—Miscellaneous Departments.
11	...	72,60,000	+1,90,000	Total.
				Currency and Mint—
12	18,34,000	3,82,75,000	+24,85,000	XXVII.—Currency
13	...	25,32,000	−11,71,000	XXVIII.—Mint.
14	18,34,000	4,08,07,000	+13,14,000	Total.
				Civil Works—
15	...	10,18,000	−1,94,000	XXX.—Civil Works.
				Miscellaneous—
16	1,06,000	19,62,000	−72,000	XXXIII.—Receipts in aid of Superannuation.
17	2,000	11,35,000	+1,86,000	XXXIV.—Stationery and Printing.
18	1,29,000	12,24,000	+8,57,000	XXXV.—Miscellaneous.
19	2,37,000	43,21,000	+9,71,000	Total.
	83,41,000	86.16,89,000	+1.52,01,000	Carried over.

A.—Statement of the Revenue of the Central

Heads of Revenue.	Accounts, 1923-24. India.	England.*	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward .	80,82,48,572	2,08,26,656	93,68,718	83,84,43,946	
Military Receipts—					
XXXVI.—Army—					
Effective .	2,91,02,023	36,00,935	16,30,042	3,43,33,000	20
Non-effective	15,36,491	11,99,288	5,54,520	32,90,299	21
	3,06,38,514	48,00,223	21,84,562	3,76,23,299	22
XXXVII.—Marine . .	24,73,367	...	...	24,73,367	23
XXXVIII.—Military Engineer Services .	80,59,731	...	...	80,59,731	24
Total .	4,11,71,612	48,00,223	21,84,562	4,81,56,397	25
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—					
XXXIX.—Contributions to the Central Government by Provincial Governments .	9,20,00,000	...	...	9,20,00,000	26
XXXIXA—Miscellaneous adjustments between the Central and Provincial Governments .	1,54,718	...	...	1,54,718	27
Total .	9,21,54,718	...	...	9,21,54,718	28
Extraordinary Items—					
XL.—Extraordinary Receipts . .	18,75,963	1,67,50,000	73,39,888	2,59,65,851	29
Railway Revenues as per Railway Budget . . .	32,44,09,540	17,09,216	8,23,637	32,69,42,393	30
TOTAL REVENUE .	1,26,78,60,405	4,40,86,095	1,97,16,805	1,33,16,63,305	31

* Sterling converted into Rupees at £1 = Rs. 10.

Item Number.	Revised Estimate, 1924-25. India.	* England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
	81,05,19,000	2,62,27,000	97,42,000	84,64,88,000
20	2,82,71,000	49,63,000	18,43,000	3,50,77,000
21	10,97,000	10,65,000	3,96,000	25,58,000
22	2,93,68,000	60,28,000	22,39,000	3,76,35,000
23	12,75,000	...	...	12,75,000
24	27,86,000	...	...	27,86,000
25	3,34,29,000	60,28,000	22,39,000	4,16,96,000
26	9,20,12,000	...	...	9,20,12,000
27	5,04,000	...	...	5,04,000
28	9,25,16,000	...	...	9,25,16,000
29	81,000	1,86,00,000	69,08,000	2,55,89,000
30	33,91,81,000	20,10,000	7,46,000	34,19,37,000
31	1,27,57,26,000	5,28,65,000	1,96,35,000	1,34,82,26,000

Increase (+) Decrease (—) as compared with Budget Estimate, 1924-25.	Budget Estimate, 1925-26.		Item Number.
	India.	*England.	
Rs.	Rs.	Rs.	
—3,72,29,000	82,83,25,000	2,50,23,000	
+1,36,71,000	2,37,93,000	29,93,000	20
+26,000	9,51,000	10,75,000	21
+1,36,97,000	2,47,44,000	40,68,000	22
—2,17,000	9,33,000	...	23
+7,00,000	90,16,000	...	24
+1,41,80,000	3,46,93,000	40,68,000	25
...	6,70,12,000	...	26
+3,05,000	2,02,000	...	27
+3,05,000	6,72,14,000	...	28
+2,55,89,000	...	28,75,000	29
+4,44,44,000	34,13,64,000	—18,15,000	30
+4,72,89,000	1,27,15,96,000	3,01,51,000	31

*Sterling converted into Rupees at £1=Rs. 10.

Government, in India and in England—*concld*

Item Number.	Budget Estimate, 1925-26. Exchange.	Budget Estimate, 1925-26. Total.	Increase (+) Decrease (—) as compared with Revised, 1924-25.	Heads of Revenue.
	Rs.	Rs.	Rs.	
	83,41,000	86,16,89,000	41,52,01,000	Brought forward.
				ilitary Receipts—
				XXXVI.—Army—
20	9,98,000	2,77,84,000	—72,93,000	Effective.
21	3,58,000	23,84,000	—1,74,000	Non-effective.
22	13,56,000	3,01,68,000	—74,67,000	
23	...	9,33,000	—3,42,000	XXXVII.—Marine.
24	...	90,16,000	+62,30,000	XXXVIII.—Military Engineer Services.
25	13,56,000	4,01,17,000	—15,79,000	Total.
				Provincial Contribution and miscellaneous adjustments between Central and Provincial Governments—
26		6,70,12,000	—2,50,00,000	XXXIX.—Contributions to the Central Government by Provincial Governments.
27	...	2,02,000	—3,02,000	XXXIXA.—Miscellaneous adjustments between the Central and Provincial Governments.
28	...	6,72,14,000	—2,53,02,000	Total.
				Extraordinary Items—
29	9,58,000	38,33,000	—2,17,56,000	XL.—Extraordinary Receipts.
30	—6,05,000	33,89,44,000	—29,93,000	**Railway Revenues as per Railway Budget**
31	1,00,50,000	1,31,17,97,000	—3,64,29,000	TOTAL REVENUE

B.—Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1923-24. India.	England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenues—					
1.—Customs	69,47,200	1,29,010	59,478	71,35,688	1
2.—Taxes on Income	62,26,438	28,031	12,955	62,67,424	2
3.—Salt	1,35,35,796	53,399	23,791	1,36,11,986	3
4.—Opium	2,58,09,228	47,722	22,609	2,58,79,559	4
5.—Land Revenue	10,51,443	44,248	20,582	11,16,273	5
6.—Excise	2,27,443	...	...	2,27,443	6
7.—Stamps—					
A.—Non-judicial }	—39,47,618	2,96,191	1,62,339	—34,89,088	7
B.—Judicial }					8
8.—Forests	30,17,348	4,15,217	1,92,767	36,25,332	9
9.—Registration	29,497	...	...	29,497	10
Total	5,28,96,775	10,12,818	4,94,521	5,44,04,114	11
Forest and other Capital outlay charged to Revenue—					
3A.—Capital outlay on Salt Works	...	...	...	...	12
7A.—Capital outlay on Security Printing Press	...	...	...	...	13
Total	...	...	...	...	14
Irrigation, etc., Revenue Account—					
14.—Works for which Capital accounts are kept—					
Interest on Debt	11,92,750	...	...	11,92,750	15
15.—Other Revenue Expenditure	2,27,055	65,962	30,786	3,23,803	16
Total	14,19,805	65,962	30,786	15,16,553	17
Carried over	5,43,16,580	10,78,780	5,25,307	5,59,20,667	

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1924-25.			
	India.	England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
1	76,36,000	1,65,000	61,000	78,62,000
2	59,16,000	89,000	33,000	60,38,000
3	1,25,43,000	73,000	27,000	1,26,43,000
4	2,36,68,000	65,000	24,000	2,37,57,000
5	12,28,000	10,000	4,000	12,42,000
6	2,31,000	5,000	2,000	2,38,000
7	—8,94,000	3,30,000	1,23,000	—4,41,000
8	2,71,000	...	...	2,71,000
9	25,79,000	2,49,000	92,000	29,20,000
10	32,000	...	...	32,000
11	5,32,10,000	9,86,000	3,66,000	5,45,62,000
12	10,06,000	...	...	10,06,000
13	9,82,000	90,000	33,000	11,05,000
14	19,88,000	90,000	33,000	21,11,000
15	12,41,000	...	...	12,41,000
16	8,03,000	25,000	9,000	8,37,000
17	20,44,000	25,000	9,000	20,78,000
	5,72,42,000	11,01,000	4,08,000	5,87,51,000

Increase (+) Decrease (—) as compared with Budget, 1924-25.	Budget Estimate, 1925-26. India.	* England.	Item Number.
Rs.	Rs.	Rs.	
—3,61,000	81,61,000	2,01,000	1
—4,81,000	65,40,000	87,000	2
—18,9 ,000	1,35,41,000	72,000	3
+28,49,000	1,79,54,000	56,000	4
—95,0	14,15,000	17,000	5
—23,000	4,15,000	18,000	6
—3,45,000	—8,69,000	80,000	7
+2,0	15,73,000	...	8
—4,94,	31,20,000	2,24,000	9
—5,000	37,000	...	10
—8,50,000	5,13,85,000	7,55,000	11
+10,06,000	14,93,000	...	12
+11,05,000	13,13,000	3,65,000	13
+21,11,000	28,06,000	3,65,000	14
...	12,50,000	...	15
—86,000	3,00,000	29,000	16
—86,000	15,50,000	29,000	17
+11,75,000	5,62,41,000	11,49,000	

* Sterling converted into Rupees at £1=Rs. 10.

of the Central Government, in India and in England.

Item Number.	Budget Estimate, 1925-26. Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1924-25.	Heads of Expenditure.
	Rs.	Rs.	Rs.	**Direct Demands on the Revenues—**
1	67,000	84,29,000	+5,67,000	1.—Customs.
2	29,000	66,56,000	+6,18,000	2.—Taxes on Income.
3	24,000	1,36,37,000	+9,94,000	3.—Salt.
4	19,000	1,80,29,000	—57,28,000	4.—Opium.
5	6,000	14,38,000	+1,96,000	5.—Land Revenue.
6	6,000	4,39,000	+2,01,000	6.—Excise.
7	26,000	—7,63,000	—3,22,000	7.—Stamps— A.—Non-judicial.
8	...	15,71,000	+13,00,000	B.—Judicial.
9	74,000	34,18,000	+4,98,000	8.—Forests.
10	...	37,000	+5,000	9.—Registration.
11	2,51,000	5,28,91,000	—16,71,000	Total
				Forest and other Capital outlay charged to Revenue—
12	...	14,93,000	+4,87,000	3A.—Capital outlay on Salt Works.
13	1,22,000	18,00,000	+6,95,000	7A.—Capital outlay on Security Printing Press.
14	1,22,000	32,93,000	+11,82,000	Total
				Irrigation, etc., Revenue-Account—
15	...	12,50,000	+9,000	14.—Works for which Capital accounts are kept— Interest on Debt.
16	10,000	3,39,000	—4,98,000	15.—Other Revenue Expenditure.
17	10,000	15,89,000	—4,89,000	Total
	3,83,000	5,77,73,000	—9,78,000	Carried over

B.—Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1923-24. India.	England.*	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward .	5,43,16,580	10,78,780	5,25,307	5,59,20,667	
Irrigation, etc., Capital Account (charged to Revenue)—					
16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues . .	1,25,586	...	...	1,25,586	18
Posts and Telegraphs Revenue Account—					
17.—Posts and Telegraphs—Interest on Debt . .	63,88,844	...	...	63,88,844	19
Posts and Telegraphs Capital Account (charged to Revenue)—					
18.—Capital outlay on Posts and Telegraphs—					
Indian Postal and Telegraph Department.	—50,51,094	12,11,959	5,54,358	—32,84,777	20
Indo-European Telegraph Department .	—4,29,486	—98,533	—38,106	—5,66,125	21
Total .	—54,80,580	11,13,426	5,16,252	—38,50,902	22
Debt Services—					
19.—Interest on Ordinary Debt	20,10,52,772	10,26,95,582	4,65,79,673	35,03,28,027	23
Deduct—Amount chargeable to—					
Salt . . .	...	...	...	...	24
Railways . . .	*11,22,14,021*	*4,34,72,394*	*2,00,03,722*	*17,56,90,137*	25
Irrigation . . .	*11,92,750*	...	...	*11,92,750*	26
Posts and Telegraphs .	*63,88,844*	...	...	*63,88,844*	27
Provincial Governments	*3,75,47,098*	...	...	*3,75,47,098*	28
Provincial Loans Fund .	...	...	...	...	29
Remainder chargeable to Ordinary Debt . .	4,37,10,059	5,92,23,188	2,65,75,951	12,95,09,198	30
20.—Interest on other Obligations . . .	3,00,66,881	70,519	30,901	3,01,68,301	31
21.—Reduction or Avoidance of Debt . . .	73,61,000	44,26,026	18,80,446	1,36,67,472	32
Total .	8,11,37,940	6,37,19,733	2,84,87,298	17,33,44,971	33
Carried over .	13,64,88,370	6,59,11,939	2,95,28,857	23,19,29,166	34

* Sterling converted into Rupees at £1=Rs. 10.

REVISED ESTIMATE, 1924-25.

Item Number.	India.	* England.	Exchange.	TOTAL.
	Rs.	Rs.	Rs.	Rs.
	5,72,42,000	11,01,000	4,08,000	5,87,51,000
18	1,16,000	...	...	1,16,000
19	70,75,000	...	...	70,75,000
20	—92,30,000	11,20,000	4,16,000	—76,94,000
21	—4,69,000	7,48,000	2,78,000	5,57,000
22	—96,99,000	18,68,000	6,94,000	—71,37,000
23	20,13,26,000	12,55,54,000	4,66,34,000	37,35,14,000
24	*2,76,000*	...	...	*2,76,000*
25	*12,58,17,000*	*6,51,39,000*	*2,41,94,000*	*21,51,50,000*
26	*12,41,000*	...	...	*12,41,000*
27	*70,75,000*	...	...	*70,75,000*
28	*4,30,33,000*	...	...	*4,30,33,000*
29	...	...	...	...
30	2,38,84,000	6,04,15,000	2,24,40,000	10,67,39,000
31	3,45,24,000	83,000	31,000	3,46,38,000
32	94,81,000	2,06,69,000	76,77,000	3,78,27,000
33	6,78,89,000	8,11,67,000	3,01,48,000	17,92,04,000
34	12,26,23,000	8,41,36,000	3,12,50,000	23,80,09,000

Budget Estimate, 1925-26.			
Increase (+) Decrease (—) as compared with Budget, 1924-25.	India.	* England.	Item Number.
Rs.	Rs.	Rs.	
+11,75,000	5,62,41,000	11,49,000	
—5,000	1,90,000	...	18
—25,00	69,66,000	...	19
+10,51,000	—95,41,000	...	20
+12,000	—4,73,000	1,73,000	21
+10,63,000	—1,00,14,000	1,73,000	22
+2,32,24,000	20,58,96,000	13,07,64,000	23
—2,76,000	*3,33,000*	...	24
—2,50,81,000	*13,64,44,000*	*7,29,17,000*	25
...	*12,50,000*	...	26
+25,000	*69,66,000*	...	27
+15,75,000	...	...	28
...	*4,95,34,000*	...	29
—5,33,000	1,13,64,000	5,78,47,000	30
—17,68,000	4,30,35,000	95,000	31
—17,46,000	5,01,50,000	...	32
—40,47,000	10,45,49,000	5,79,42,000	33
—18,39,000	15,79,32,000	5,92,64,000	34

* Sterling converted into Rupees at £1=Rs. 10.

of the Central Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1925-26. Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1924-25.	Heads of Expenditure.
	Rs.	Rs.	Rs.	
	3,83,000	5,77,73,000	—9,78,000	Brought forward.
				Irrigation, etc., Capital Account (charged to Revenue)—
18	...	1,90,000	+74,000	16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues.
				Posts and Telegraphs Revenue Account—
19	...	69,66,000	—1,09,000	17.—Posts and Telegraphs—Interest on Debt.
				Posts and Telegraphs Capital Account (charged to Revenue)—
20	...	—95,41,000	—18,47,000	18.—Capital outlay on Posts and Telegraphs—
21	58,000	—2,42,000	—7,99,000	Indian Postal and Telegraph Department. Indo-European Telegraph Department.
22	58,000	—97,83,000	—26,46,000	Total
				Debt Services—
23	4,35,88,000	38,02,48,000	+67,34,000	19.—Interest on Ordinary Debt.
24	...	*3,38,000*	—62,000	*Deduct*—Amount chargeable to—
25	*2,43,05,000*	*23,36,66,000*	—1,85,16,000	Salt.
26	...	*12,50,000*	—9,000	Railways.
27	...	*69,66,000*	+1,09,000	Irrigation.
28	...	...	+4,30,33,000	Posts and Telegraphs.
29	...	*4,95,34,000*	—4,95,34,000	Provincial Governments. Provincial Loans Fund.
30	1,92,83,000	8,84,94,000	—1,82,45,000	Remainder chargeable to Ordinary Debt.
31	32,000	4,31,62,000	+85,24,000	20.—Interest on other Obligations.
32	...	5,01,50,000	+1,23,23,000	21.—Reduction or Avoidance of Debt.
33	1,93,15,000	18,18,06,000	+26,02,000	Total
34	1,97,56,000	23,69,52,000	—10,57,000	Carried over

B.—Statement of the Expenditure charged to the Revenue

Heads of Expenditure.	Accounts, 1923-24. India.	England.*	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward .	13,64,88,370	6,59,11,939	2,95,28,857	23,19,29,166	
Civil Administration—					
22.—General Administration—					
A.—Heads of Provinces (including Governor General) and Executive Councils .					1
B.—Legislative Bodies .					2
C.—Secretariat and headquarters establishment . .	1,12,10,502	...	...	1,12,10,502	3
D.—Commissioners . .					4
E.—District Administration . . .					5
F.—Home Administration, etc. . . .	...	29,97,122	13,78,363	43,75,485	6
23.—Audit	70,87,470	2,53,891	1,17,485	74,58,846	7
24.—Administration of Justice	12,71,302	57,709	28,401	13,57,412	8
25.—Jails and Convict Settlements	35,91,868	41,289	18,479	36,51,636	9
26.—Police	81,61,732	1,66,096	77,528	84,05,356	10
27.—Ports and Pilotage .	21,81,705	99,490	47,253	22,78,448	11
28.—Ecclesiastical . .	25,58,441	2,52,390	1,16,509	29,27,343	12
29.—Political . . .	3,01,56,925	—2,59,523	—1,37,745	2,97,59,657	13
30.—Scientific Departments .	77,46,488	4,98,487	2,26,225	84,71,200	14
31.—Education . . .	29,44,465	79,941	36,471	30,60,877	15
32.—Medical . . .	23,49,999	3,12,924	1,46,592	28,09,515	16
33.—Public Health . .	10,67,856	54,522	24,253	11,46,631	17
34.—Agriculture . . .	22,39,471	89,054	42,316	23,70,841	18
35.—Industries . . .	19,138	27,614	12,530	59,282	19
36.—Aviation	16,454	3,038	1,333	20,825	20
37.—Miscellaneous Departments . . .	19,34,789	14,49,761	6,48,952	40,33,452	21
Total .	8,44,88,558	61,21,805	27,84,945	9,33,97,308	22
Currency, Mint and Exchange—					
38.—Currency . . .	29,52,347	36,84,849	17,15,555	83,52,751	23
39.—Mint	15,06,578	32,656	15,413	15,54,647	24
Total .	44,58,925	37,17,505	17,30,968	99,07,398	25
Carried over .	22,54,35,853	7,57,53,249	3,40,44,770	33,52,33,872	

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1924-25.			
	India.	* England.	Exchange.	Total.
	Rs. 12,26,23,060	Rs. 8,41,36,000	Rs. 3,12,50,000	Rs. 23,80,09,000
1	22,08,000	...	...	22,08,000
2	7,78,000	...	...	7,78,000
3	71,01,000	...	...	71,01,000
4	...	...	...	...
5	16,92,000	...	...	16,92,000
6	...	30,62,000	11,37,000	41,99,000
7	76,29,000	2,08,000	77,000	79,14,000
8	11,43,000	56,000	21,000	12,20,000
9	37,10,000	45,000	17,000	37,72,000
10	91,67,000	1,71,000	64,000	94,02,000
11	23,27,000	1,25,000	46,000	24,98,000
12	25,37,000	5,66,000	2,10,000	33,13,000
13	3,12,23,000	6,33,000	2,35,000	3,20,94,000
14	64,11,000	6,81,000	2,53,000	73,45,000
15	30,90,000	76,000	28,000	31,94,000
16	23,04,000	1,85,000	69,000	25,58,000
17	12,86,000	66,000	25,000	13,77,000
18	29,40,000	1,51,000	56,000	31,47,000
19	62,18,000	33,000	12,000	62,63,000
20	23,000	3,000	1,000	27,000
21	19,21,000	4,84,000	1,80,000	25,85,000
22	9,37,11,000	65,45,000	24,31,000	10,26,87,000
23	28,62,000	22,04,000	8,19,000	58,85,000
24	14,01,000	25,000	9,000	14,35,000
25	42,63,000	22,29,000	8,28,000	73,20,000
	22,05,97,000	9,29,10,000	3,45,09,000	34,80,16,000

BUDGET ESTIMATE, 1925-26.

Increase (+) Decrease (—) as compared with Budget, 1924-25.	India.	* England.	Item Number.
Rs.	Rs.	Rs.	
—18,89,000	15,79,32,000	5,92,64,000	
—1,94,000	22,04,000	...	1
+36,000	7,21,000	...	2
—37,000	75,18,000	...	3
—8,000	...	...	4
+1,45,000	17,78,000	...	5
—4,27,000	...	32,86,000	6
—5,69,000	85,16,000	2,59,000	7
—30,000	11,87,000	77,000	8
		60,000	9
—2,07,000	38,51,000	2,64,000	10
+5,25,000	93,25,000	3,33,000	11
—39,000	27,34,000	8,60,000	12
—18,000	26,00,000	12,82,000	13
—1,48,000	3,22,23,000	7,68,000	14
—5,88,000	71,25,000	81,000	15
+34,000	31,80,000	3,33,000	16
—3,33,000	28,58,000	67,000	17
+4,000	12,23,000	1,54,000	18
+4,85,000	26,06,000	64,000	19
+61,82,000	69,39,000	3,000	20
+5,000	30,000		
—1,59,000	23,09,000	2,62,000	21
+46,59,000	9,89,27,000	81,53,000	22
—2,61,000	30,81,000	19,14,000	23
—1,50,000	16,56,000	44,000	24
—4,11,000	47,37,000	19,58,000	25
+24,09,000	26,15,96,000	6,93,75,000	

* Sterling converted into Rupees at £1=Rs. 10.

of the Central Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1925-26. Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1924-25.	Heads of Expenditure.
	Rs. 1,97,5[illegible],000	Rs. 23,69,52,000	Rs. —10,57,000	Brought forward.
				Civil Administration—
				22.—General Administration—
				A.—Heads of Provinces (including Governor General) and Executive Councils.
1	...	22,04,000	—4,000	
2	...	7,21,000	—57,000	B.—Legislative Bodies.
				C.—Secretariat and headquarters establishment.
3	...	75,18,000	+4,17,000	
4	...	...	...	D.—Commissioners.
				E.—District Administration.
5	...	17,78,000	+86,000	
				F.—Home Administration, etc.
6	10,95,000	43,81,000	+1,82,000	
7	86,000	88,61,000	+9,47,000	23.—Audit.
8	26,000	12,99,000	+70,000	24.—Administration of Justice.
				25.—Jails and Convict Settlements.
9	20,000	39,31,000	+1,59,000	
10	88,000	96,77,000	+2,75,000	26.—Police.
11	1,11,000	31,78,000	+6,80,000	27.—Ports and Pilotage.
12	2,87,000	37,47,000	+4,34,000	28.—Ecclesiastical.
13	4,27,000	3,39,32,000	+18,38,000	29.—Political.
14	2,56,000	81,49,000	+8,04,000	30.—Scientific Departments.
15	27,000	32,88,000	+94,000	31.—Education.
16	1,11,000	33,02,000	+7,44,000	32.—Medical.
17	22,000	13,12,000	—65,000	33.—Public Health.
18	51,000	28,11,000	—3,36,000	34.—Agriculture.
19	21,000	70,24,000	+7,61,000	35.—Industries.
20	1,000	34,000	+7,000	36.—Aviation.
21	89,000	26,60,000	+75,000	37.—Miscellaneous Departments.
22	27,18,000	10,97,98,000	+71,11,000	Total
				Currency, Mint and Exchange—
23	6,38,000	56,33,000	—2,52,000	38.—Currency.
24	14,000	17,14,000	+2,79,000	39.—Mint.
25	6,52,000	73,47,000	+27,000	Total
	2,31,26,000	35,40,97,000	+60,81,000	Carried over.

B.—Statement of the Expenditure charged to the Revenues.

Heads of Expenditure.	Accounts, 1923-24. India.	England.*	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward	22,54,35,853	7,57,58 249	3.40,44,770	35,52,38,872	
Civil Works—					
41.—Civil Works	1,68,85,839	99,603	46,148	1,70,31,590	26
Miscellaneous—					
43.—Famine Relief and Insurance— A.—Famine Relief	5,002	...	...	5,002	27
44.—Territorial and Political Pensions	26,95,382	1,23,739	56,671	28,75,792	28
45.—Superannuation Allowances and Pensions	11,86,238	1,95,94,442	89,79,164	2,97,59,844	29
46.—Stationery and Printing	29,26,384	15,18,346	6,76,463	51,21,193	30
47.—Miscellaneous	47,16,845	14,89,147	6,82,059	68,88,051	31
Total	1,15,29,851	2,27,25,674	1,03,94,357	4,46,49,882	32
Military Services—					
48.—Army— Effective	37,76,17,123	6,03,71,596	2,75,23,976	46,55,12,695	33
Non-effective	4,07,70,625	3,64,69,838	1,67,04,394	9,39,44,857	34
	41,83,87,748	9,68,41,434	4,42,28,370	55,94,57,552	35
49.—Marine	59,91,668	25,08,108	11,54,649	96,54,425	36
50.—Military Engineer Services.	14,02,72,500	7,22,414	3,24,869	4,13,19,783	37
Total	46,46,51,916	10,00,71,956	4,57,07,888	61,04,31,760	38
Contributions and Miscellaneous adjustments between Central and Provincial Governments— 51A.—Miscellaneous adjustments between the Central and Provincial Governments	37,98,778	....	...	37,98,778	
Extraordinary items— 55.—Extraordinary Payments	...	2,37,07,519	1,03,88,688	3,40,96,207	
Railway Expenditure as per Railway Budget	11,24,10,817	10,29,36,276	4.71,74,365	26,25,21,458	39
Total Expenditure charged to Revenue	83,47,13,054	32,52,94,277	14,77,56,216	1,30,77,63,547	40

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1924-25.			
	India.	* England.	Exchange.	Total.
	Rs. 22,05,97,000	Rs. 9,29,10,000	Rs. 3,45,09,000	Rs. 34,80,16,000
26	1,91,80,000	1,07,000	40,000	1,93,27,000
27	...	...	...	...
28	29,94,000	1,16,000	43,000	31,53,000
29	17,64,000	1,94,47,000	72,23,000	2,84,34,000
30	38,28,000	7,71,000	2,87,000	48,86,000
31	48,99,000	24,96,000	9,27,000	83,22,000
32	1,34,85,000	2,28,30,000	84,80,000	4,47,95,000
33	37,47,78,000	6,64,78,000	2,46,92,000	46,59,48,000
34	3,91,31,000	3,72,10,000	1,38,21,000	9,01,62,000
35	41,39,09,000	10,36,88,000	3,85,13,000	55,61,10,000
36	48,58,000	20,96,000	7,78,000	77,32,000
37	4,03,93,000	5,55,000	2,06,000	4,11,54,000
38	45,91,60,000	10,63,39,000	3,94,97,000	60,49,96,000
	56,32,000	...	...	56,32,000
	...	...	...	...
39	16,75,50,000	8,60,07,000	3,19,45,000	28,55,02,000
40	88,56,04,000	30,81,93,000	11,44,71,000	1,30,82,68,000

* Sterling converted into Rupees at £1=Rs. 10.

Increase (+) Decrease (—) as compared with Budget, 1924-24.	Budget Estimate, 1925-26. India.	* England.	Item Number.
Rs. +24,09,000	Rs. 26,15,96,000	Rs. 6,93,75,000	
—13,23,000	1,66,99,000	1,11,000	26
—14,000	...	...	27
+1,59,000	29,47,000	1,15,000	28
—14,51,000	9,39,000	1,96,53,000	29
—2,34,000	21,15,000	6,81,000	30
—25,38,000	51,04,000	13,66,000	31
—40,78,000	1,11,05,000	2,18,15,000	32
—2,14,89,000	38,41,38,000	6,18,75,000	33
—12,11,000	3,88,12,000	3,69,53,000	34
—2,27,00,000	42,29,50,000	9,88,28,000	35
—14,36,000	55,15,000	20,89,000	36
—8,84,000	3,89,91,000	4,54,000	37
—2,50,20,000	46,74,56,000	10,13,71,000	38
+33,67,000	15,74,000	...	
...	25,00,000	...	
+3,38,23,000	17,01,85,000	8,72,89,000	39
+91,78,000	93,11,15,000	27,99,61,000	40

* Sterling converted into Rupees at £1=Rs. 10.

of the Central Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1925-26. Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1924-25.	Heads of Expenditure.
	Rs. 2,81,26,000	Rs. 35,40,97,000	Rs. +60,81,000	Brought forward.
				Civil Works—
26	37,000	1,68,47,000	—24,80,000	41.—Civil Works.
				Miscellaneous—
27	...	...	...	43.—Famine Relief and Insurance— A.—Famine Relief.
28	38,000	31,00,000	—53,000	44.—Territorial and Political Pensions.
29	65,51,000	2,71,43,000	—12,91,000	45.—Superannuation Allowances and Pensions.
30	2,27,000	30,23,000	—18,63,000	46.—Stationery and Printing.
31	4,55,000	69,25,000	—13,97,000	47.—Miscellaneous.
32	72,71,000	4,01,91,000	—46,04,000	Total.
				Military Services—
	2,06,25,000	46,66,33,000	+6,90,000	48.—Army— Effective.
33	1,23,18,000	8,80,83,000	—20,79,000	Non-effective.
34	3,29,43,000	55,47,21,000	—13,89,000	
35	6,96,000	83,00,000	+5,68,000	49.—Marine.
36	1,51,000	3,95,96,000	—15,58,000	50.—Military Engineer Services.
37	3,37,90,000	60,26,17,000	—23,79,000	Total.
38	...	15,74,000	—40,58,000	**Contributions and miscellaneous adjustments between Central and Provincial Governments—** 51. Miscellaneous adjustments between the Central and Provincial Governments.
				Extraordinary Items—
	...	25,00,000	+25,00,000	52.—Extraordinary Payments.
39	2,90,96,000	28,65,70,000	+10,68,000	**Railway Expenditure as per Railway Budget.**
40	9,33,20,000	1,30,43,96,000	—38,72,000	Total Expenditure charged to Revenue.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1923-24.		
	India.	*England.	Total.
	Rs.	Rs.	Rs.
Revenue (from Statement A)	1,26,78,60,405	4,40,86,095	1,31,19,46,500
Exchange added to Revenue	1,97,16,805	...	1,97,16,805
Total	1,28,75,77,210	4,40,86,095	1,33,16,63,305
Railway Capital not charged to Revenue—			
As per Railway Budget	—31,39,684	—71,55,000	—1,02,94,684
Public Debt Incurred—			
Permanent Debt—			
Sterling Debt—			
Debenture stock of East Indian and Great Indian Peninsula Railway Company taken over by the Secretary of State	...	...	
5½ per cent. Stock	...	9,28,370	
4 per cent. Stock	...	18,06,53,306	
7 per cent stock	...	...	
Rupee Debt—			
New Rupee Loan	...	...	
6 per cent. Bonds, 1930	3,000	...	
6 per cent. Bonds, 1927	2,500	...	
5 per cent. Loan, 1945-55	9,79,77,400	...	
5 per cent. Bonds, 1933	14,17,72,200	...	
3½ per cent. Loans	...	...	
3 per cent. Loans	...	...	
Total	23,97,55,100	18,15,81,676	42,13,36,776
Floating Debt—			
Treasury Bills—			
Issued to Public	6,63,15,000	...	
Issued to Paper Currency Reserve	55,25,00,000	...	
Other Floating Loans	5,00,00,000	...	
Total	66,88,15,000	...	66,88,15,000
Unfunded Debt—			
Deposits of Service Funds	—36,621	11,22,442	
Post Office Cash Certificates	6,90,79,231	...	
Savings Bank Deposits	25,47,26,107	1,88,556	
Total	32,37,68,717	13,10,998	32,50,79,715
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	13,24,62,010	...	
Other Funds	8,16,63,759	...	
Sinking Funds for Central Loans	73,69,702	...	
Other appropriation for Reduction or Avoidance of Debt	...	...	
Sinking Fund Investment Account	...	...	
Sinking Funds for loans granted to local bodies	3,25,104	...	
Gold Standard Reserve	...	1,23,86,68,427	
Paper Currency Reserve	2,97,72,262	42,25,32,032	
Deposits of Branch Line Companies	1,52,391	...	
Posts and Telegraphs Depreciation Fund	...	...	
Departmental and Judicial Deposits	77,35,40,788	...	
Advances	13,40,41,670	77,40,174	
Suspense Accounts	3,64,64,629	1,57,28,783	
Exchange on Remittance Accounts	3,07,89,179	...	
Miscellaneous	59,83,048	45,11,114	
Provincial Loans Fund	...	...	
Total	1,23,25,64,542	1,68,91,80,530	2,92,17,45,072
Railway Depreciation and Reserve Funds as per Railway Budget	...	...	...
Carried over	3,74,93,40,885	1,90,90,04,299	

*Sterling converted into Rupees at £1=Rs. 10.

Central Government in India and in England.

Revised Estimate, 1924-25.			Budget Estimate, 1925-26.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,27,57,26,000	5,28,65,000	1,32,85,91,000	1,27,15,96,000	3,01,51,000	1,30,17,47,000
1,96,35,000	...	1,96,35,000	1,00,50,000	...	1,00,50,000
1,29,53,61,000	5,28,65,000	1,34,82,26,000	1,28,16,46,000	3,01,51,000	1,31,17,97,000
—8,72,85,000	—18,92,60,000	—27,65,45,000	—1,78,80,000	—4,12,50,000	—5,71,30,000
...	18,50,00,000		...	3,50,00,000	
...	9,87,000		...	10,50,000	
...	8,68,000		...	9,15,000	
...	...		...	94,000	
...	...		12,00,60,000	...	
...	...		...	...	
...	...		...	...	
5,93,36,000	...		...	...	
7,27,86,000	...		...	...	
7,70,000	...		7,20,000	...	
..	...		...	...	
13,28,92,000	18,68,55,000	31,97,47,000	12,07,20,000	3,70,59,000	15,77,79,000
...	...		...	...	
49,65,00,000	...		49,65,00,000	...	
...	...		...	...	
49,65,00,000	...	49,65,00,000	49,65,00,000	...	49,65,00,000
12,03,000	2,10,000		12,19,000	2,22,000	
6,06,00,000	...		5,76,00,000	...	
26,45,45,000	1,70,000		28,76,80,000	1,70,000	
32,64,08,000	3,80,000	32,67,88,000	34,64,99,000	3,92,000	34,68,91,000
13,54,32,000	...		13,59,19,000	...	
8,12,23,000	...		8,38,63,000	...	
90,44,000	...		97,21,000	...	
6,50,000	...		4,04,29,000	...	
35,83,000	...		...	...	
3,38,000	...		3,52,000	...	
...	76,85,14,000		...	64,91,89,000	
...	70,66,25,000		...	79,98,23,000	
4,82,000	...		4,83,000	...	
...	...		32,76,000	...	
78,31,07,000	...		78,12,87,000	...	
17,89,21,000	55,51,000		16,65,59,000	8,04,000	
1,64,60,000	2,32,47,000		1,68,31,000	1,66,48,000	
5,84,98,000	...		2,79,61,000	...	
1 31,70,000	49,47,000		1,01,95,000	18,30,000	
...	...		20,08,42,000	...	
1,28,09,08,000	1,70,88,81,000	2,78,97,92,000	1,47,75,18,000	1,46,82,94,000	2,94,58,12,000
14,44,65,000	...	14,44,65,000	14,01,68,000		14,01,68,000
3,58,92,49,000	1,55,97,24,000		3,84,71,71,000	1,49,46,46,000	

* Sterling converted into Rupees at £1=Rs.10.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1923-24.		
	India.	England.	Total.
	Rs.	Rs.	Rs.
Brought forward	3,74,93,40,885	1,90,90,04,299	
Loans and Advances by the Central Government—			
Advances to the Provincial Loans Fund	...	...	...
Other loans and advances	41,14,410	...	41,14,410
Total	41,14,410	...	41,14,410
Loans between Central and Provincial Governments	2,15,93,443	...	2,15,93,443
Remittances—			
Remittances within India—			
Inland Money Orders	84,87,90,877	...	
Other Local Remittances	...	...	
Other Departmental Accounts	48,423	...	
Net Receipts by Civil Treasuries from—			
Railways	17,08,89,835	...	
Posts and Telegraphs	13,85,80,769	...	
Net Receipts from Civil Treasuries by—			
Marine	72,76,387	...	
Army and Military Engineer Services	43,35,00,287	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	100	2,41,60,960	
Sale of gold	...	2,00,00,000	
Other transactions	2,49,67,081	5,14,23,926	
Remittances from India for financing Home Treasury	14,02,03,794	23,14,16,640	
Transfers through the Paper Currency Reserve	...	5,84,77,728	
Total	1,66,42,57,553	38,54,79,254	2,04,97,36,807
Balances of Provincial Governments	5,50,80,660	...	5,50,80,660
Total Receipts	5,49,43,86,951	2,29,44,83,553 (a)	
Opening Balance	25,95,80,424	9,82,19,688	
GRAND TOTAL	5,75,39,67,375	2,39,27,03,241	

* Sterling converted into Rupees at £1=Rs. 10.

(a) Of this amount, R36,584 represents the funds of the Gold Standard Reserve.

DELHI,
FINANCE DEPARTMENT.
The 28th February 1925.

M F. GAUNTLETT.
Auditor General.

Central Government, in India and in England—*contd.*

Revised Estimate, 1924-25.			Budget Estimate, 1925-26.		
India.	*England.	Total.	India.	*England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3,58,92,49,000	1,55,97,25,000		3,84,71,71,000	1,49,46,46,000	
...	...	...	...	...	...
38,87,000	...	38,87,000	76,34,000	...	76,34,000
38,87,000	...	38,87,000	76,34,000	...	76,34,000
1,27,18,000	...	1,27,18,000	...	...	..
86,00,00,000	...		87,00,00,000	...	
11,38,000	...		7,52,000	...	
3,90,14,000	...		3,68,43,000	...	
32,98,66,000	...		21,85,87,000	...	
3,91,05,000	...		3,27,15,000	...	
38,79,000	...		49,95,000	...	
39,37,28,000	...		39,06,29,000	...	
...	1,63,10,000		...	1,70,00,000	
96,19,000	2,69,77,000		91,63,000	2,02,10,000	
...	...		...	31,50,00,000	
6,00,00,000	42,00,00,000		...	...	
1,78,61,49,000	46,82,87,000	2,19,94,36,000	1,56,36,84,000	35,22,10,000	1,91,58,94,000
2,13,000	...	2,13,000	2,87,85,000	...	2,87,85,000
5,34,22,16,000	2,02,30,11,000 (b)		5,41,72,74,000	1,84,68,5 , 000 (b)	
31,13,62,292	10,38,42,476		24,26,92,292	11,91,73,476	
5,65,35,78,292	2,12,68,53,476		5,68,99,66,292	1,96,60,29,476	

* Sterling converted into Rupees at £1=Rs. 10.

(b) Of this amount, Rs. 9,414 represents the funds of the Gold Standard Reserve.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1923-24.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	83,47,13,054	32,52,94,277	1,16,00,07,331
Exchange charged as Expenditure	14,77,56,216	...	14,77,56,216
Total	98,24,69,270	32,52,94,277	1,30,77,63,547
Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—			
Construction of Irrigation Works	10,883	2,221	13,104
Capital outlay on Posts and Telegraphs	75,21,560	...	75,21,560
Initial expenditure on new Capital at Delhi	1,48,67,055	6,06,597	1,54,73,652
Railway Capital not charged to Revenue—			
As per Railway Budget	10,90,20,826	9,89,77,646	20,79,98,472
Public Debt Discharged—			
Permanent Debt—			
Sterling Debt—			
State Railway Annuities	...	...	
,, Sinking Fund	...	...	
Redemption of liabilities assumed in respect of British War Loan (1929-1947)	...	...	
Rupee Debt—			
5½ p. c. War Bonds, 1929	4,29,475	...	
Do. Do. 1921	6,36,625	...	
Do. Do. 1922	17,17,725	...	
Do. Do. 1923	1,50,51,575	...	
Do. Do. 1925	1,400	...	
Do. Do. 1926	32,300	...	
5 p. c. War Loan, 1929-47	41,07,300	...	
5 p. c. Loan, 1945-55	...	...	
4 p. c. Loans	2,78,15,700	...	
3½ p. c. Loans	2,936	...	
3 p. c. Loan	1,71,000	...	
Government stock notes	200	...	
Total	4,99,66,236	...	4,99,66,236
Floating Debt—			
Treasury Bills—			
Issued to Public	26,09,85,000	...	
Do. Paper Currency Reserve	55,25,00,000	...	
Other Floating Loans	5,00,00,000	...	
Total	86,34,85,000	...	86,34,85,000
Unfunded Debt—			
Special Loans	23,027	...	
Deposits of Service Funds	15,27,465	2,90,009	
Post Office Cash Certificates	1,61,80,728	...	
Savings Bank Deposits	20,89,79,691	72,224	
Total	22,67,10,911	3,62,233	22,70,73,144
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	12,88,63,159	...	
Other Funds	8,39,69,046	...	
Sinking Funds for Central Loans	37,80,029	...	
Sinking Fund Investment Account	35,82,696	...	
Gold Standard Reserve	...	1,23,86,95,596	
Paper Currency Reserve	...	42,25,32,032	
Deposits of Branch Line Companies	2,92,694	...	
Departmental and Judicial Deposits	73,84,67,093	...	
Advances	12,69,66,418	—1,45,88,382	
Suspense Accounts	2,94,35,673	1,65,98,594	
Miscellaneous	6,18,482	2,06,14,902	
Provincial Loans Fund	...	...	
Total	1,16,59,75,290	1,68,38,52,742	2,84,98,28,032
Railway Depreciation and Reserve Funds as per Railway Budget	...	...	...
Carried over	3,42,00,27,031	2,10,90,95,716	

* Sterling converted into Rupees at £ 1=Rs. 10.

Central Government, in India and in England—*cont'd.*

Revised Estimate, 1924-25.			Budget Estimate, 1925-26.		
India.	* England.	Total.	India.	* England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
88,56,04,000	30,81,93,000	1,19,37,97,000	93,11,15,000	27,99,61,000	1,21,10,76,000
11,44,71,000	...	11,44,71,000	9,33,20,000	...	9,33,20,000
1,00,00,75,000	30,81,93,000	1,30,82,68,000	1,02,44,35,000	27,99,61,000	1,30,43,96,000
16,000	...	16,000	27,000	...	27,000
1,64,98,000	...	1,64,98,000	1,98,02,000	15,51,000	12,13,53,000
1,32,26,000	4,74,000	1,37,00,000	1,51,17,000	3,83,000	1,55,00,000
5,35,00,000	7,50,00,000	12,85,00,000	16,34,08,000	10,09,25,000	26,43,33,000
...	...		...	1,30,23,000	
...	...		...	36,41,000	
...	...		...	48,77,000	
4,00,000	...		3,00,000	...	
3,00,000	...		3,00,000	...	
3,00,000	...		3,00,000	...	
5,00,000	...		2,06,000	...	
15,02,000	...		3,45,00,000	...	
8,15,000	...		...	...	
46,98,000	...		43,39,000	...	
83,42,000	...		57,36,000	...	
14,00,000	...		2,03,000	...	
7,000	...		...	...	
9,00,000	...		8,40,000	...	
...	...		...	...	
1,91,64,000	...	1,91,64,000	4,67,24,000	2,15,41,000	6,82,65,000
2,12,20,000	...		...	...	
49,65,00,000	...		49,65,00,000	...	
...	...		...	...	
51,77,20,000	...	51,77,20,000	49,65,00,000	...	49,65,00,000
30,000	...		30,000	...	
15,75,000	40,000		16,07,000	70,000	
1,46,00,000	...		1,56,00,000	...	
21,37,98,000	1,00,000		23,15,43,000	20,000	
22,99,13,000	1,40,000	23,00,53,000	24,87,80,000	90,000	24,88,70,000
13,59,21,000	...		13,49,60,000	...	
8,20,85,000	...		8,26,31,000	...	
1,26,36,000	...		97,21,000	...	
...	...		...	...	
...	76,85,14,000		...	64,91,89,000	
...	70,66,25,000		...	79,98,23,000	
21,87,000	...		4,93,000	...	
79,37,39,000	...		77,56,66,000	...	
17,75,80,000	7,34,000		16,28,09,000	10,03,000	
3,67,40,000	2,32,47,000		1,70,13,000	1,66,48,000	
...	2,50,51,000		...	47,06,000	
...	...		20,08,42,000	...	
1,24,07,88,000	1,52,41,71,000	2,76,49,59,000	1,38,41,35,000	1,47,13,69,000	2,85,55,04,000
8,25,00,000		8,25,00,000	9,50,00,000	...	9,50,00,000
3,17,34,00,000	1,90,79,78,000		3,49,39,28,000	1,87,58,20,000	

* Sterling converted into Rupees at £1 = Rs. 10.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1923-24.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Brought forward	3,42,00,27,031	2,10,90,95,716	
Loans and Advances by the Central Government—			
Advances to the Provincial Loans Fund	...	...	...
Other loans and advances	44,39,340	...	44,39,340
Total	44,39,340	...	44,39,340
Loans between Central and Provincial Governments	12,28,05,246	...	12,28,05,246
Remittances—			
Remittances within India—			
Inland Money Orders	84,23,37,495	...	
Other Local Remittances	43,20,294	...	
Other Departmental Accounts	45,577	...	
Net Payments into Civil Treasuries by—			
Railways	17,49,17,959	...	
Posts and Telegraphs	3,86,25,724	...	
Net Issues from Civil Treasuries to—			
Marine	71,34,085	...	
Army and Military Engineering Services	43,51,46,069	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	2,42,14,490	...	
Sale of gold	2,00,00,000	...	
Other transactions	5,14,78,412	2,14,75,680	
Remittances from India for financing Home Treasury	23,14,16,640	...	
Transfers through the Paper Currency Reserve	5,86,86,721	13,99,94,801	
Total	1,89,53,33,466	16,14,70,481	2,05,68,03,947
Balances of Provincial Governments	...	1,82,94,568	1,82,94,568
Total Disbursements	5,44,26,05,083	2,28,88,60,765 (a)	
Closing Balance	31,13,62,292	10,38,42,476	
GRAND TOTAL	5,75,39,67,375	2,39,27,03,241	

* Sterling converted into Rupees at £1=Rs. 10.

(a) Of this amount, Rs. 36,584 represents the funds of the Gold Standard Reserve.

H DENNING,

Controller of the Currency.

Central Government, in India and in England—*contd.*

Revised Estimate, 1924-25.			Budget Estimate, 1925-26.		
India.	* England.	Total.	India.	* England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3,17,34,00,000	1,90,79,78,000		3,49,39,28,000	1,87,58,20,000	
...	...	...	13,81,82,000	...	13,81,82,000
1,55,88,000	...	1,55,88,000	1,73,82,000	...	1,73,82,000
1,55,88,000	...	1,55,88,000	15,55,64,000	...	15,55,64,000
10,66,38,000	...	10,66,38,000	...	...	...
86,01,00,000	...		87,00,00,000	...	
10,00,000	...		9,59,000	...	
3,39,78,000	...		3,77,91,000	...	
32,98,66,000	...		21,85,87,000	...	
3,91,05,000	...		3,27,15,000	...	
38,79,000	...		49,95,000	...	
39,35,28,000	...		39,06,29,000	...	
1,63,10,000	...		1,70,00,000	...	
...	...		...	...	
1,74,94,000	1,34,09,000		2,14,88,000	76,95,000	
42,00,00,000	...		31,50,00,000	...	
...	6,00,00,000		...	...	
2,11,52,60,000	7,34,09,000	2,18,86,69,000	1,90,91,64,000	76,95,000	1,91,68,59,000
...	2,62,93,000	2,62,93,000	...	3,06,03,000	3,06,03,000
5,41,08,86,000	2,00,76,80,000		5,55,86,56,000	1,91,41,18,000	
24,26,92,292	(b) 11,91,73,476		13,13,10,292	(b) 5,19,11,476	
5,65,35,78,292	2,12,68,53,476		5,68,99,66,292	1,96,60,29,476	

* Sterling converted into Rupees at £1=Rs. 10.

(b) Of this amount, Rs. 9,414 represents the funds of the Gold Standard Reserve.

A. C. McWATTERS,

Secretary to the Government of India.

D.—Abstract Statement of the Receipts and Disbursements of the

REVENUE AND EXPENDITURE.		ACCOUNTS, 1923-24.			
		Revenue.	Expenditure.	Net Receipts.	Net Charges.
		Rs.	Rs.	Rs.	Rs.
Principal Heads of Revenue	Customs	39,69,64,296	71,35,688	38,98,28,608	
	Taxes on Income	18,23,55,516	62,67,424	17,60,88,092	
	Salt	10,01,50,870	1,36,11,936	8,65,38,884	
	Opium	4,24,81,654	2,58,79,559	1,66,02,095	
	Other heads	2,28,56,225	15,09,457	2,13,46,768	
	TOTAL	74,48,08,561	5,44,04,114	69,04,04,447	...
Forest and other Capital outlay charged to Revenue.	Capital outlay on Salt Works.	...	...	...	...
	Capital outlay on Security Printing Press.	...	...	...	...
Commercial Services	Irrigation	10,54,064	16,42,139	...	5,88,075
	Posts and Telegraphs	96,12,987	25,37,942	70,75,045	...
Debt Services	Interest	3,16,59,620	17,33,44,971	...	14,16,85,351
Civil Administration	Civil Administration	68,51,292	9,33,97,308	...	8,65,46,016
Currency and Mint	Currency	2,95,39,974	83,52,751	2,11,87,223	...
	Mint	17,34,017	15,54,647	1,79,870	...
Civil Works	Civil Works	37,05,245	1,70,31,590	...	1,33,26,345
Miscellaneous Civil Services	Famine Relief	...	5,002	...	5,002
	Superannuation	35,44,461	2,97,59,844	...	2,62,15,383
	Miscellaneous	45,89,360	68,88,051	...	22,98,691
	Other Heads	13,44,365	79,96,985	...	66,52,620
Military Services	Army — Effective	3,43,33,000	46,55,12,695	...	43,11,79,695
	Army — Non-effective	32,90,299	9,39,44,857	...	9,06,54,558
	Marine	24,73,367	96,54,425	...	71,81,058
	Military Eng. Services	80,59,731	4,13,19,783	...	3,32,60,052
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments		9,21,54,718	37,98,778	8,83,55,940	...
Extraordinary Items		2,59,65,851	3,40,96,207	...	81,30,356
	TOTAL	1,00,47,20,912	1,04,52,42,089	80,72,02,025	84,77,23,202
Railway (as per Railway Budget)		32,69,42,393	26,25,21,458	6,44,20,935	...
	GRAND TOTAL	1,33,16,63,305	1,30,77,63,547	87,16,22,960	84,77,23,202
	Surplus			2,38,99,758	
	Deficit			...	

Central Government, in India and in England

Revised Estimate, 1924-25.		Budget Estimate, 1925-26.	
Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Rs.	Rs.	Rs.	Rs.
43,97,82,000		45,50,71,000	
15,86,88,000		16,68,31,000	
6,47,35,000		5,58,63,000	
1,30,73,000		1,75,56,000	
1,65,59,000		1,61,74,000	
69,28,37,000	...	71,14,95,000	...
...	10,06,000	...	14,93,000
...	11,05,000	...	18,00,000
...	13,03,000	...	7,37,000
91,76,000	...	96,28,000	...
...	14,12,45,000	...	14,57,62,000
...	9,56,17,000	...	10,25,38,000
2,99,05,000	...	3,26,42,000	...
22,68,000	...	8,18,000	...
...	1,81,15,000	...	1,58,29,000
...	...	...	...
...	2,64,00,000	...	2,51,81,000
...	79,55,000	...	57,01,000
...	70,90,000	...	49,88,000
...	43,08,71,000	...	43,88,54,000
...	8,76,04,000	...	8,56,99,000
...	64,57,000	...	73,67,000
...	3,83,68,000	...	3,05,80,000
8,68,84,000	...	6,56,40,000	...
2,55,89,000	...	13,33,000	...
84,66,59,000	86,31,36,000	82,15,56,000	86,65,29,000
5,64,35,000	...	5,23,74,000	...
90,30,94,000	86,31,36,000	87,39,30,000	86,65,29,000
3,99,58,000		74,01,000	
...		...	

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England—*contd.*

	Revenue and Expenditure.	Accounts, 1923-24.		Revised Estimate, 1924-25.		Budget Estimate, 1925-26.	
		Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Surplus	2,38,99,758	...	3,99,58,000	...	74,01,000	...
	Deficit	...	...	...	...	...	...
Capital Account.	Irrigation, Posts and Telegraphs and other Capital not charged to Revenue :—						
	Construction of Irrigation Works	...	13,104	...	16,000	...	27,000
	Capital outlay on Posts and Telegraphs	...	75,21,560	...	1,64,98,000	...	2,13,53,000
	Initial expenditure on new Capital at Delhi	...	1,54,73,652	...	1,37,00,000	...	1,35,00,000
	Railway Capital not charged to Revenue—						
	As per Railway Budget	..	21,82,93,156	...	40,50,45,000	...	32,14,03,000
Debt, Deposits, Advances and Remittances.	Permanent Debt (net)	37,13,70,540	...	30,05,83,000	...	8,95,14,000	...
	Floating Debt (net)	...	19,46,70,000	...	2,12,20,000	...	...
	Unfunded Debt (net)	9,80,06,571		9,67,35,000	...	9,80,21,000	...
	Loans and Advances by Central Government (net)	...	3,24,930	...	1,17,01,000	...	14,79,30,000
	Loans between Central and Provincial Governments (net)	...	10,12,11,803	...	9,39,20,000	...	...
	Deposits and Advances. (net)	7,19,17,040	...	8,67,98,000	...	13,54,76,000	...
	Remittances (net)	...	70.67,140	1,07,67,000	...	...	9,65,000
	Balances of Provincial Governments (net)	3,67,86,092	...	...	2,60,80,000	...	18,18,000
Cash Balance.	Opening Balance	35.78,00,112	...	41,52,04,768	...	36,18,65,768	...
	Closing Balance	...	41,52,04,768	...	36,18,65,768	...	18,32,21,768
	Total	95,97,80,113	95,97,80,113	95,00,45,768	95,00,45,768	69,22,77,768	69,22,77,768

M. F. GAUNTLETT, *Auditor General.*

H. DENNING, *Controller of the Currency.*

A. C. McWATTERS, *Secretary to the Government of India.*

DELHI,
FINANCE DEPARTMENT.
The 28th February 1925.

THE INDIAN FINANCE BILL.

INTRODUCED IN THE LEGISLATIVE ASSEMBLY ON THE 28TH FEBRUARY, 1925.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923 and to fix rates of income-tax; It is hereby enacted as follows :— VIII of 1894. VI of 1898. X of 1923.

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1925.

(*2*) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(*3*) Sections 2 and 4 shall remain in force only up to the 31st day of March, 1926.

Fixation of salt duty.

2. (*1*) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the 1st day of April, 1925, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section. XII of 1882.

(*2*) With effect from the 1st day of April, 1925, section 2 of the Indian Finance Act, 1924, is hereby repealed.

Amendment of Act VIII of 1894.

3. With effect from the first day of April, 1925, the amendments specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894. VIII of 1894.

Postal rates.

4. With effect from the first day of April, 1925, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. VI of 1898.

5. With effect from the first day of April, 1925, the following amendments shall be made in the Motor Spirit (Duties) Act, 1917, namely :— II of 1917.

(*a*) in sub-section (*1*) of section 3, for the words "six annas" the words "four annas" shall be substituted.

(*b*) section 6 shall be omitted.

X of 1923.

Amendment of Act X of 1923.

6. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1925" the figures "1926" shall be substituted.

Income-tax and super-tax.

7. (1) Income-tax for the year beginning on the first day of April, 1925, shall be charged at the rates specified in Part I of the Third Schedule.

(2) The rates of super-tax for the year beginning on the first day of April, 1925, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule.

XI of 1922.

(3) For the purposes of the Third Schedule, "total income" means total income as determined, for the purposes of income-tax or super-tax as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922.

XI of 1922.

SCHEDULE I.

Amendments to be made in Schedule II to the Indian Tariff Act, 1894.

[*See section 3.*]

1. After Item No. I the following item shall be inserted, namely :—

"1A	GRAIN and PULSE, all sorts, including broken grains and pulse, but excluding flour (*see* No. 68)."	

2. In Item No. 40 the words "and MOTOR SPIRIT", where they first occur in the entry in the second column, and the NOTE to that entry shall be omitted.

3. After Item No. 40 the following item shall be inserted, namely :—

"40A	MOTOR SPIRIT . . .	Imperial Gallon. Four annas."

4. Item No. 47 and the heading thereto shall be omitted.

5. In Item No 51, after the figures "15, 16" the figures and letter "51-B" shall be inserted.

6 After Item No 51-A the following item shall be inserted, namely :—

"51-B. I HEALDS, HEALD CORDS, HEALD KNITTING NEEDLES, REEDS and SHUTTLES."

7. In Item No. 75, after the figures "40" the figures and letter "40A" shall be inserted.

8. In Item No. 96, for the word and figures "and 18" the figures and word "18 and 51-B" shall be substituted.

SHCEDULE II.

Schedule to be inserted in the Indian Post Office Act, 1898.

(*See section 4.*)

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

(*See section 7.*)

Letters.	
For a weight not exceeding two and a half tolas . . .	One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas.	One anna.
Postcards.	
Single	Half an anna.
Reply	One anna.
Book, Pattern and Sample Packets.	
For every five tolas or fraction thereof	Half an anna.
Registered Newspapers.	
For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas .	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas .	Half an anna.
Parcels.	
For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas .	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas . .	Four annas."

SCHEDULE III.

(See section 7.)

PART I.

Rates of Income-tax.

	Rate.
A. In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(1) When the total income is less than Rs. 2,000 . . .	*Nil.*
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.	Five pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	Six pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 20,000.	Nine pies in the rupee.
(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	One anna in the rupee.
(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and three pies in the rupee.
(7) When the total income is Rs. 40,000 or upwards . . .	One anna and six pies in the rupee.
B. In the case of every company, and registered firm, whatever its total income.	One anna and six pies in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over fifty thousand rupees of total income :—

	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first twenty-five thousand rupees of the excess.	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess.	One anna in the rupee.
(*b*) in the case of every individual unregistered firm and other association of individuals not being a registered firm or a company for every rupee of the first fifty thousand rupees of such excess.	One anna in the rupee.
(*c*) in the case of every individual, Hindu undivided family unregistered firm and other association of individuals not being a registered firm or a company—	
(*i*) for every rupee of the second fifty thousand rupees of such excess	One and a half annas in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess.	Two annas in the rupee.

	Rate.
(*iii*) for every rupee of the next fifty thousand rupees of such excess	Two and a half annas in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess	Three annas in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess	Three and a half annas in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess	Four annas in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess	Four and a half annas in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess	Five annas in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess	Five and a half annas in the rupee.
(*x*) for every rupee of the remainder of the excess . .	Six annas in the rupee.

STATEMENT OF OBJECTS AND REASONS.

1. The object of this Bill is to continue certain provisions of the Indian Finance Act, 1924, which would otherwise cease to have effect from the 1st April, 1925, and to give effect to certain minor amendments in the Tariff.

2. Clauses 2, 4 and 7 provide for the continuance of the rates of salt duty, postage, income-tax and super-tax prescribed by the Indian Finance Act, 1924, while clause 6 provides for the credit to revenue for a further period of one year, *i.e.*, till the 31st March 1926, of interest on securities forming part of the Paper Currency Reserve.

3. Clauses 3 and 5 give effect to certain minor amendments which it is proposed to make in the Tariff The changes are not important from the revenue point of view and are as follows :—

(*i*) The 2½ per cent. import duty on grain and pulse is removed in accordance with the recommendations of the Fiscal Commission. Import of these articles is negligible in normal times and the duty is suspended in times of scarcity.

(*ii*) At present motor spirit produced in India is subject to an excise of six annas a gallon and imported motor spirit to a duty of 8½ annas a gallon. Imports are extremely small and in order to cheapen motor spirit, it is proposed to reduce the excise duty to 4 annas a gallon on petrol produced in the country and to levy merely a customs duty on imported motor spirit at the same rate, *viz.*, 4 annas a gallon.

(*ii*) Certain articles such as healds, reeds, shuttles, etc., can be used as component parts either of power looms or handlooms and are therefore assessable to duty under the higher rate, *i.e.*, as component parts of handlooms. Their chief use, however, is in power looms. It is proposed to amend the schedule so as to make it clear that the duty to be levied on these articles is the same as that on other component parts of power machinery, namely 2½ per cent.

BASIL P. BLACKETT.

The 28th February, 1925.

Speech of the Financial Secretary in the Council of State on the 28th February 1925.

THE HONOURABLE MR. A. C. McWATTERS (Finance Secretary): Sir, I rise to present a statement of the estimated expenditure and revenue of the Governor General in Council for the year 1925-26 in respect of subjects other than Railways. The form in which this statement is being presented brings home the reality of the great change in our budget procedure which has been introduced this year, namely, the separation of railway finance. This evening I shall have nothing to say about Railways, of which the House has heard a good deal during the course of the last few days, except in so far as they affect our general position, which they do in two important ways; first of all, in respect of the contribution which the Railways make to general revenues and secondly, in so far as they affect our ways and means and our remittance transactions. But before passing on from this subject I should like to say merely this that the Finance Department welcomes this change as heartily as the Railways, or the public can possibly do.

I shall begin my remarks this evening with a short account of the final results of the year 1923-24 of which we now have the audited figures. They present some features, I think, of unusual interest. A year ago we anticipated that there might be a small deficit of some 37 lakhs on ordinary account, but with the portion of the windfall from the Enemy Ships account which was being credited to revenue that year we expected to end the year with a surplus of 206 lakhs. The actual results of the year have been very much better. On the civil side the net variation is small on the whole, but there have been several very important variations under individual heads. In particular, under salt, we have obtained 1 crore and 31 lakhs more revenue than we expected owing to the great rush which took place to replenish stocks when the duty on salt was reduced to Rs. 1-4-0 a maund in the second edition of the Finance Bill. Under customs and taxes on income, we received considerably less than we expected. But there were appreciable savings in civil expenditure, so that on the civil side there is very little net variation. It is on the military side that very important savings occurred as compared with our revised estimates. The actual amount of these savings is no less than 3½ crores, the final net figure of our military expenditure being 56 crores 23 lakhs. This is a very important—I was going to say error—at any rate variation from our estimates, but I think the House will make due allowance for great difficulty of framing estimates in a year which was the first year in which the Incheape cuts took effect. It was quite impossible even late in the year to appreciate the full extent of the consequential savings which those cuts made throughout the military budget. I think that this great reduction in the military expenditure as compared with our estimates is at any rate a tribute to the thoroughness and efficiency with which retrenchment was carried on throughout the year in the Army owing to the efforts of His Excellency the Commander-in-Chief.

In view of the very large surplus which was expected, Government have made two important accounts changes which, while reducing the amount of the surplus, will be for the benefit of future revenues. The first of these relates to the discount on the rupee loan floated in July 1923.

That loan was floated at a discount and it was originally intended that the discount which amounted to 82 lakhs, should be spread over a number of years. We have now, in view of the surplus, taken the whole of the discount against revenue in the year 1923-24. The second accounts change is even more important. It relates to the Persian debt. The Persian debt represents advances and loans which were made by the Government of India to the Persian Government during the war and immediately afterwards, amounting in all to 341 lakhs. This expenditure was for the most part shared with His Majesty's Government, and in India this amount was placed in suspense. We have now decided to clear that suspense account altogether in the year 1923-24. I should explain that *vis-à-vis* Persia our claims to recover the money are in no way affected and negotiations are in fact now in progress for the recovery of this amount. But we are now putting ourselves in the same position as the British Government who from the beginning adopted the salutary procedure of charging this expenditure against revenue in the year in which it was incurred. We are also following the advice of our own Public Accounts Committee who commented on the undesirability of leaving such large items for long periods in suspense and in fact commented on this particular item of the Persian debt. After these two important accounts changes have been made we are left in the year 1923-24 with an actual surplus of 239 lakhs.

I now turn to the current year. It is not necessary, I think, to say very much about general trade conditions. There has been a gradual and welcome improvement in trade during the year. We have had the benefit of still another good monsoon and we have been helped by the very high prices which have prevailed in Europe for a number of our staple products, particularly jute, tea and wheat. The cotton mill industry in Bombay is perhaps the only important industry which so far has not responded to the general improvement. Some measure of the improvement in trade can be gathered, I think, from a study of our trade returns. Taking the 10 months ending with January last, exports of merchandise from India have amounted to Rs. 297½ crores. This is 24 crores more than in the same period of last year and 60 crores more than in the preceding year. Imports at the same time have also increased and the net balance of merchandise in favour of India during these ten months is 103½ crores, which is exactly the same as the corresponding figure for the ten months of last year. On the other hand, there have been very large net imports of gold and silver which in these ten months have amounted to no less than 61½ crores. But even taking account of these, the balance of trade in favour of India is 42 crores.

This improvement in trade conditions is naturally reflected in our revised estimates for the year. But in the current year there are a number of important disturbing factors, and rather than give the House a mere list of figures, I propose to take each of these important factors in turn and show the effect which they have had upon our estimates. The first is Exchange. We budgeted for an average rate of 1*s.* 4¾*d.* but we expect to get an average rate of 1*s.* 5½*d.* The saving in exchange in our revised estimates will be 215 lakhs, excluding Railways but including 70 lakhs of savings in military expenditure. The amount of the saving is due not only to the difference between the two rates which I have quoted, but to the fact that our sterling expenditure was also reduced in amount. The second important factor which affects our estimates is the separation of Railway finance. We budgeted a year ago for 458 lakhs of return from Railways,

but in the convention which was established with the consent of the Legislature in September last certain increases were made in the contribution which Railways should give to general revenues, with the result that we shall obtain in the current year 106 lakhs more than we budgeted for, the contribution being, as the House knows, 564 lakhs. The third important factor is again the savings in military expenditure. We expect in the current year that our net military expenditure will be 56,33 lakhs, that is nearly 4 lakhs less than what we budgeted for. The actual figure is 3,92 lakhs. I think that on this occasion we can claim to have placed our revised estimates very close to the actuals, and in doing so we have been very much helped by the fact that we have had before us the actual figures for the preceding year.

The factors that I have mentioned so far have been favourable ones. On the other side there are several unfavourable factors. In the first place, from salt we shall obtain 131 lakhs less than our budget figure for the reason which I have already mentioned, namely, the rush to replenish stocks in the month of March, 1924. Under the head taxes on income, I am afraid that we budgeted somewhat optimistically and we now expect to receive 1,74 lakhs less than our Budget estimate. In respect of opium, again, there have been disturbing factors in consequence of the international discussions which have centred round this subject in recent months and which have naturally affected our sales for export. We expect that the gross receipts from opium will be less by 65 lakhs. I think that as opium questions are exciting interest at the present time, the House would like to know how much we actually depend upon this opium revenue. The net revenue from opium received by the Central Government in the 3 preceding years has been 1,62 lakhs and in the current year we expect to receive 1,31 lakhs only, so that the total amount, although appreciable, is but a small percentage of our total revenues. Another important factor which we have to face this year is the increased expenditure for bounties under the Steel Protection Act and the bounties which were more recently agreed to by the Legislative Assembly. These amount to 62 lakhs in the course of the current year. We also have to meet the recommendations of the Lee Commission which will cost 25 lakhs in the current year, 5 lakhs of this being under the Railway head and 2 lakhs under Posts and Telegraphs.

I come last of all to Customs. The gross receipts from Customs have naturally benefited from the improvement in trade, and we expect to receive no less than 2,72 lakhs more in gross Custom revenue. On the other hand, we have to meet one very important item of refund amounting to 280 lakhs which is due to the fact that the decision of the Privy Council in the question which I mentioned last year of stores imported by Company Railways working State lines has gone against us. These Company Railways are therefore entitled to receive a refund of the customs duty which they actually paid from the date on which their liability to duty was contested before the courts up to the date on which the Sea Customs Act was altered to make Government stores liable to customs duty. I think it is important to explain to the House exactly how this refund affects us financially. From the ways and means point of view it affects us very little. Out of these 280 lakhs 155 lakhs represent stores on capital account and this refund merely goes to reduce the capital expenditure on Railways. 125 lakhs represent revenue stores and this goes to reduce the working expenses of the Railways. The only amount which represents actual outgoing in cash is about 15 lakhs, which is the share of surplus profits paid to the shareholders in the company lines. So far as our revenue position

is concerned we shall get from the Railways as part of the contribution a sum of 37 lakhs because we are entitled to one-third of the amount available for transfer to the railway reserves if that amount exceeds 3 crores. We have also kept in suspense from last year a portion of the windfall from the enemy ships account. It was specially kept in suspense in order to meet this contingent liability. The amount available for that purpose is 255 lakhs, so that on the revenue side we are completely covered. The net result of these various factors is that we estimate in the current year that instead of the small surplus of 18 lakhs for which we budgeted, we shall close with a surplus of approximately Rs. 4 crores—the actual figure is Rs. 399·58 lakhs,—which, the House will observe, approximate very closely to the savings which we expect under military expenditure, all the other factors practically cancelling out.

Before I turn to the Budget figures I should like to mention one or two points in connection with the form of the Budget which may be of interest to the House. I need not refer again to the question of the separation of the railway finance, but the House will be interested to know that in the Budget we are showing the Post and Telegraph accounts in a commercialised form for the first time. This is a new innovation and cannot pretend to be absolutely in its final form, but it is sufficiently complete I think to give an approximate idea of the working of the Department. The basis of the change is that the Department will receive credit for services which it renders outside the sphere of its normal activities, for instance, for the issue and payment of Cash Certificates, for managing the Post Office Savings Bank, for collecting customs duty on postal parcels and so on. On the other hand, it will accept a debit for the interest on its capital account; it will have to set aside a proper amount for depreciation of its assets, and it will have to accept the liability for pensions of the Department on a proper actuarial basis. The result in the current year is that the Department appears to be working at a small loss of Rs. 283,000 and in the budget year, if I may anticipate the budget figures, that loss is reduced to a purely nominal one of Rs. 60,000. The account of the Department as presented endeavours to distinguish between the three main branches, the Postal Department, the Telegraph Department and the Telephones. In the coming year we anticipate that the Postal Department will be working at a profit of Rs. 29 lakhs, the Telegraph Department at a loss of Rs. 26 lakhs, and the Telephones at a loss of Rs. 4 lakhs. The difference between these Departments is mainly due to the fact that the Telegraph Department has to bear a much larger charge for interest in view of its larger capital.

There is one other matter affecting the form of the Budget which I should mention, and that is, the first year in which we are showing a provision for redemption and avoidance of debt in accordance with the scheme which was outlined in this House last September. The House will remember that that scheme contemplated a basic figure of Rs. 4 crores and in addition a one-eightieth part of the debt incurred since the 31st March, 1923. The actual amount which appears under this head will be Rs. 478 lakhs, the increase being due in part to the fact that we have taken over Rs. 18½ millions of the East Indian Railway debenture stock when that railway became a State railway. There is also under this head an item of Rs. 24 lakhs which represents the customs duty on capital stores of State Railways. The House will remember that Government decided to set aside from revenue an amount equivalent to the customs duty on imported capital stores of State Railways in order to avoid the inflation of revenue at the expense of capital.

I am now in a position to come to the Budget figures. First of all, I take the expenditure side and the question of exchange. As always Government refuse to prophesy, but they find it necessary to take some figure at which to convert our sterling expenditure into rupees. Exchange has for the last half of this year been approximately steady at 1*s.* 6*d.*, and for the purpose of the Budget we are taking that figure. I will return later on to this point in connection with the question whether our surplus, if we have one, is a real and recurring surplus or not. The second item is military expenditure. We are taking in the Budget a net figure of Rs. 56 crores 25 lakhs which is exactly 4 crores less than that which was taken in the Budget of last year. The House will no doubt have noticed the close approximation between the figures of military expenditure in the three years, that is, the actuals for 1923-24, the figures for the revised estimate of the current year and the figures for the budget year. In all the three cases they are approximately Rs. 56¼ crores, but in making a comparison between these three years it is important to remember that in the first of these years an amount of more than 3 crores was saved by consumption of stores without replacement. There was a small saving of the same kind of Rs. 110 lakhs in the current year and in the next year there is still an item of Rs. 70 lakhs which represents consumption of stores. Also in the Budget year we have an item of Rs. 171 lakhs for payment on account of demobilised officers. This is a crore more than we provided in the previous year, and, with the exception of a very small sum, we hope that this will close this particular liability. I think possibly the best method of envisaging the actual cost of the Army is to take the military expenditure excluding all abnormal items. The figure will then be Rs. 55 crores, and in connection with the Budget we should also remember that this includes certain new items which have not appeared in previous military budgets. The first is the amount of the customs duty on military stores which amounts to Rs. 27 lakhs. The second is that the Army will for the first time be paying the cost of their stationery and printing which will amount to Rs. 13 lakhs, and the third is the revision of pay and the extension of the passage concessions to army officers which accounts for Rs. 45 lakhs. These figures are included in the figure of Rs. 55 crores which I have just given. On the civil side there are only two items of expenditure which I need mention. The first is that in respect of Opium we expect our expenditure to be less by Rs. 58 lakhs than in the current year because our stocks of opium are now large and we have been reducing the area of cultivation and also have been able to reduce the price paid for raw opium. The second is under the head Interest where our expenses will be less by 97 lakhs. This is due to the fact that the share payable by the Railways and by the Provincial Governments will be larger.

Turning to the revenue side, I think that our revenue estimates have been framed on a conservative basis. Under Customs we have taken a figure of Rs. 121 lakhs less than what we anticipate to receive in the current year. We cannot expect to get such a big return from sugar or possibly from piece-goods and certainly not from the protective duties on iron and steel. Under Taxes on Income we have taken a figure which is Rs. 88 lakhs higher than the figure anticipated in the current year but still Rs. 87 lakhs less than the figure which we took in the Budget last year. Under Salt we budget for a normal year, Rs. 695 lakhs. From the railway contribution we shall get Rs. 40 lakhs less than last year, the railway contribution next year being Rs. 524 lakhs. We are continuing the provision by which the interest on the Paper Currency Reserve and the excess of the Gold Standard Reserve of over 40 millions is being taken to revenue.

There remains one item which I wish to explain and that is in connection with Post and Telegraph stores. Hitherto our practice has been that Post and Telegraph stores at the time of purchase are paid for from revenue and placed in a suspense head which is cleared when the stores are actually issued either for revenue or capital purposes, a corresponding credit being taken to revenue. This procedure which has obvious disadvantages is being revised under the advice of the Auditor General, and in future the Post and Telegraph stores will be kept outside our revenue account altogether. We shall however have on the 31st March next Post and Telegraph stores in stock to the amount of one crore, 24 lakhs and these stores have been already paid for and debited to revenue with the result that in the current year when these stores come into use revenue must receive a credit. The House will realise that this is a non-recurrent credit and that in future years we shall not get this credit or in fact get any credit at all. Similarly under Opium there is a small non-recurrent credit in the present budget owing to a change in procedure by which Provincial Governments will pay us for the stocks of opium held in treasuries on the 31st March next, and will in future pay for opium at the time of receipt instead of as at present at the time of issue to the public. These two items of 124 lakhs and 20 lakhs are therefore clearly non-recurrent.

Taking then our budget figures as a whole we anticipate a surplus of 324 lakhs. I will turn in a minute to the question how far that surplus is a real and recurrent surplus or not and will say a few words now about ways and means.

This time last year we anticipated that we should be able to meet our various liabilities without raising any sterling loan and without floating any more treasury bills and should be able to limit our rupee borrowings to a figure not exceeding 20 crores. The actual liabilities during the year have been a good deal less than anticipated mainly on account of the smaller capital requirements of the Railways. We have also received more from Post Office Cash Certificates since we have made no change in the rates. The result is that while we have borrowed in India 7 crores less than was anticipated in the Budget we still end the year with very high balances, although these balances will be 5 crores less than a year ago. So far as our remittances are concerned we have had very satisfactory conditions and we anticipate that by the end of March, we shall have remitted to England £42 millions. We have actually remitted up to date £40 millions, of which £33 millions have been remitted by the new procedure of purchasing sterling in India. Of this sum £6 millions have been placed in the Paper Currency Reserve in England with the object of issuing additional currency out here in order to relieve the tension in the money market.

As regards next year our liabilities include 3½ crores of maturing 1925 bonds. 23 crores for capital expenditure of railways which is the maximum sum that we think the Railways can spend, 14 crores for drawings of the Provincial Governments, a crore and a half for New Delhi and a sum of £2½ millions for the Great Indian Peninsula Railway guaranteed stock which will be discharged when the Railway is taken over by the State next year. As I have said our balances are high and we anticipate further good receipts from Post Office Cash Certificates and from various other items. We hope we shall be able to avoid sterling borrowing this year also and that we shall be able to limit our rupee loan to a sum not exceeding 12 crores. As the House knows we have important liabilities in the near future for maturing debt and it is possible, though it is too early to make

any definite announcement at the moment, that we shall be issuing something in the nature of a conversion loan.

I now return to the surplus of 324 lakhs and the question how far it is a real and recurrent surplus or not. In the first place there are certain items which are definitely non-recurring, the 124 lakhs of Post and Telegraph stores, the 20 lakhs of credits under Opium, the 70 lakhs due to consumption of military stores and a further item of 13 lakhs which is expected from the enemy ships account next year, and which should finally close that account. All these items are non-recurrent items of receipt. There is also one non-recurrent item of expenditure, namely, the 171 lakhs in the military budget for payments to demobilised officers. If these items are set off against each other we are left with a net surplus of 268 lakhs. The House will now ask about exchange. I think in considering this it is important to remember that in future the sterling expenditure of the Railways does not directly affect us, and therefore the effect of alterations in exchange on our revenue position is a good deal less than it was in the days before separation. Actually next year, taking the net sterling expenditure which affects our revenue account at £16 millions, every change of one farthing in the average rate of exchange will mean 32 lakhs. It is also necessary to remember that we can now count on a certain and increasing contribution from the Railways, that we have in our budget an adequate figure for redemption and avoidance of debt; we look forward in the near future to a very appreciable increase in our receipts from income-tax as we have not yet had the benefit of a really good year, the income-tax assessment being of course based on the results of the preceding year. Also we look forward to further reductions in military expenditure. Taking all these factors into account Government are of opinion that the amount of surplus which can be considered as available for distribution is 2½ crores. Now as regards the claimants for this amount, Government's opinion is equally definite that the first claimants should be the Provincial Governments. There are other second preference shareholders, if I may say so, but the first preference shareholders are the Provincial Governments and Government's proposal is that this 2½ crores should be distributed to Provincial Governments in accordance with the Devolution Rules, under which Madras will receive a remission of 126 lakhs of their contribution, the Punjab 61 lakhs, the United Provinces 56 lakhs and Burma 7 lakhs. I might mention at the same time that we propose to make an alteration in the present procedure by which we give Local Governments an assignment to compensate them for the duty on imported Government stores. This was a purely temporary arrangement and an unsatisfactory one. Since so long as these assignments are given it is impossible to carry out fully our object in assessing Government stores to customs duty, which was to enable Indian stores to compete fairly with imported stores. Government therefore propose that in the case of those Local Governments which are receiving a remission of their contribution this assignment will no longer be given. The total amount of these assignments is only 20 lakhs for all the nine provinces, of which ⅗rds is payable to Bombay who are not at the moment affected. For the other provinces the amount in each case is very small. I shall now be asked what about Bengal. As the House knows the Bengal contribution of 63 lakhs becomes due automatically next year. I should also say that in the figures which I have given to the House of our surplus the Bengal contribution has not been included as a receipt. Government after considering the special claims of Bengal are of opinion that it is fair that the

Bengal contribution should continue to be remitted for a further period of three years before Bengal is brought into line with the other provinces. As regards procedure Government propose that after the Finance Bill has been considered and passed these proposals for the reduction of contributions and for the continued remission of the contribution of Bengal should be put before the Legislative Assembly in the form of a Resolution.

That, Sir, practically concludes what I have to say this evening. The statements and connected papers, the Finance Secretary's memorandum explaining the various heads of the estimates and the Honourable Finance Member's budget speech which he is now making elsewhere, will be circulated to all Honourable Members in a few minutes, and also a copy of the Finance Bill, which will be introduced to-day in the other House. As the House may surmise the Finance Bill this year is not of a sensational character. There are no proposals for increase in taxation. There are, on the other hand, proposals for reduction in taxation in three small items which are similar to those which were included in the original Finance Bill last year, but which was subsequently dropped in the second edition of the Finance Bill. These proposals are, first of all, the removal of the import duty on grain and pulse, secondly, the reduction from 15 per cent. to 2½ per cent. of the import duty on certain articles mainly used in power looms, such as reeds, healds and bobins, and, thirdly, the reduction of the petrol excise from 6 annas to 4 annas per gallon coupled with the reduction of the import duty at the same time to 4 annas.

I hope that the House will regard this budget as not unsatisfactory. We have in front of us very heavy commitments in the coming years from our ways and means point of view in respect of maturing debt and in respect of the large amounts of capital which both the Central and Provincial Governments will have to raise for the proper development of the country, and I think that the existence of these obligations enforces the necessity for adequate provision in our budget for redemption and avoidance of debt. As I said a year ago we hoped that the corner had been definitely turned. I think now that we may say that we are actually advancing on the broad road that leads to social progress. The Local Governments, or at any rate some of them, will now have an opportunity of developing those services, such as the fastening of industries, agriculture, education and public health which not only create wealth but spread enlightenment. The Central Government has fewer opportunities in this way but, so far as our powers go, we have endeavoured to include in this budget a number of items of beneficial expenditure. We have, for instance, restored 3 lakhs out of the grant of 5 lakhs for the Indian Research Fund, which was cut out under the recommendations of the Inchcape Committee. We have made extra provision for the Islamia and other Colleges in the North-West Frontier Province. We have increased our grant to the Forest Research Institute at Dehra Dun, to the Agricultural Institute at Pusa, and to the sugarcane breeding station at Coimbatore. I think that this House, which always takes a special interest in the development of activities of this kind, will receive this news with welcome.

Schedule of demands for grants for expenditure of the Central Government (excluding Railways) for the year 1925-26 submitted for the vote of the Legislative Assembly.

Number of demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount.
	A.—Expenditure from Revenue.		₹
†			
16	Customs	Customs	71,66,000
17	Taxes on Income	Taxes on Income	62,57,000
18	Salt	Salt	1,11,26,000
19	Opium	Opium	1,78,95,000
20	Stamps	Stamps	25,53,000
21	Forests	Forests	6,53,000
22	Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works.	Works for which capital accounts are kept, Miscellaneous Irrigation Expenditure, Construction of Irrigation, etc., Works.	13,67,000
23	Indian Postal and Telegraph Department (including Working Expenses).	Posts and Telegraphs	8,70,84,000
24	Indo-European Telegraph Department (including Working Expenses).		29,55,000
25	Interest on Debt and Reduction or Avoidance of Debt.	Interest on ordinary Debt	1,38,18,000
26	Interest on Miscellaneous Obligations	Interest on other Obligations	22,33,000
27	Staff, Household and allowances of the Governor General.	General Administration	10,63,000
28	Executive Council		62,000
29	Legislative Bodies		6,39,000
30	Foreign and Political Department		8,24,000
31	Home Department		6,04,000
32	Legislative Department		5,49,000
33	Department of Education, Health and Lands.		5,27,000
34	Finance Department		11,60,000
35	Commerce Department		3,21,000
36	Army Department		5,54,000
37	Department of Industries and Labour		5,09,000
38	Central Board of Revenue		1,69,000
39	Payments to Provincial Governments on account of Administration of Agency subjects.		1,01,000
40	Audit	Audit	78,87,000
41	Administration of Justice	Administration of Justice	46,000
42	Police	Police	1,82,000
43	Ports and Pilotage	Ports and Pilotage	19,43,000
44	Survey of India	Scientific Departments	24,09,000
45	Meteorology	,, ,,	6,80,000
46	Geological Survey	,, ,,	1,71,000
47	Botanical Survey	,, ,,	6,86,000
48	Zoological Survey	,, ,,	1,60,000
49	Archæology	,, ,,	15,16,000
50	Mines	,, ,,	1,57,000
51	Other Scientific Departments	,, ,,	3,03,000
52	Education	Education	2,37,000
53	Medical Services	Medical	9,18,000
54	Public Health	Public Health	6,02,000
55	Agriculture	Agriculture	13,32,000
56	Civil Veterinary Services	,,	6,56,000
57	Industries	Industries	26,46,000
58	Aviation	Aviation	30,000
		Carried over	18,27,90,000

† Demands Nos. 1—15 relate to expenditure on Railways.

Schedule of demands for grants for expenditure of the Central Government (excluding Railways) for the year 1925-26 submitted for the vote of the Legislative Assembly—*contd.*

Number of demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount.
			R
	Brought forward .		18,27,90,000
	A.—Expenditure from Revenue—*contd.*		
59	Commercial Intelligence and Statistics .	Miscellaneous Departments .	2,37,000
60	Census	,, ,, .	1,000
61	Emigration—Internal	,, ,, .	50,000
62	,, External	,, ,, .	79,000
63	Joint-Stock Companies	,, ,, .	1,29,000
64	Miscellaneous Departments . . .	,, ,, .	15,59,000
65	Currency	Currency	54,40,000
66	Mint	Mint	15,81,000
67	Civil Works	Civil Works . . .	1,38,68,000
68	Superannuation Allowances and Pensions	Superannuation Allowances and Pensions.	30,06,000
69	Stationery and Printing . . .	Stationery and Printing .	28,18,000
70	Miscellaneous	Miscellaneous . . .	38,99,000
71	Adjustments with Provincial Governments	Miscellaneous Adjustments between Central and Provincial Governments.	15,74,000
72	Refunds	Distributed over respective heads of account.	57,26,000
73	North-West Frontier Province . .		1,12,16,000
74	Baluchistan		26,24,000
75	Delhi		30,65,000
76	Ajmer and Merwara		13,61,000
77	Andamans and Nicobar Islands .		41,63,000
78	Rajputana		4,65,000
79	Central India		5,83,000
80	Hyderabad		73,000
81	Expenditure in England—Secretary of State for India . .		16,52,000
82	Expenditure in England—High Commissioner for India . . .		22,43,000
Non-voted.	Ecclesiastical, Political, etc. . . .		...
	TOTAL .		25,02,02,000
	B.—Expenditure charged to Capital.		
83	Irrigation	Construction of Irrigation Works.	27,000
84	Indian Posts and Telegraphs . .	Capital outlay on Posts and Telegraphs.	2,12,36,000
85	Indo-European Telegraphs . . .		1,17,000
86	New Capital at Delhi	Initial Expenditure on New Capital at Delhi.	1,50,39,000
	TOTAL .		3,64,19,000
	C.—Disbursements of Loans and Advances.		
87	Interest-free advances		1,82,15,000
88	Loans and advances bearing interest .		15,41,99,000
	TOTAL .		17,24,14,000
	GRAND TOTAL .		45,90,35,000

Declaration by the Governor-General in Council under section 67-A (7) of the Government of India Act regarding certain demands refused by the Assembly.

In pursuance of section 67-A(7) of the Government of India Act the Governor General in Council is pleased to declare that the following demands which have been refused by the Legislative Assembly are essential to the discharge of his responsibilities, namely—

Demand.	Amount.
	Rs.
8. Railways Capital.—Open Line Works . . .	10,00,000
16. Customs—Cotton Excise establishment . . .	77,000
28. Executive Council—Tour expenses of Members of Council.	62,000

A. C. McWATTERS,
Secretary to the Government of India.

The 26th March 1925.

THE INDIAN FINANCE BILL.

AS PASSED BY THE LEGISLATIVE ASSEMBLY ON THE 18TH MARCH 1925.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898 to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows :— VIII of 1894. VI of 1898. X of 1923.

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1925.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) Sections 2 and 4 shall remain in force only up to the 31st day of March, 1926.

XII of 1882.

Fixation of salt duty.

2. (1) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if with effect from the 1st day of April, 1925, they imposed such duty at the rate of one rupee per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

(2) With effect from the first day of April, 1925, section 2 of the Indian Finance Act, 1924, is hereby repealed.

VIII of 1894.

Amendment of Act VIII of 1894.

3. With effect from the first day of April, 1925, the amendments specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894.

VI of 1898.

Postal rates.

4. With effect from the first day of April, 1925, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

II of 1917.

5. With effect from the first day of April, 1925, the following amendments shall be made in the Motor Spirit (Duties) Act, 1917, namely :—

(*a*) in sub-section (*1*) of section 3 for the words "six annas" the words "four annas" shall be substituted;

(*b*) section 6 shall be omitted.

X of 1923.

Amendment of Act X of 1923.

6. In sub-section (*7*) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1925" the figures "1926", shall be substituted.

Income-tax and super-tax.

7. (*1*) Income-tax for the year beginning on the first day of April, 1925, shall be charged at the rates specified in Part I of the Third Schedule.

XI of 1922.

(*2*) The rates of super-tax for the year beginning on the first day of April, 1925, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule.

XI of 1922.

(*3*) For the purposes of the Third Schedule, "total income" means total income as determined, for the purposes of income-tax or super-tax as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922.

(Schedules as on pages 169—171 of this volume.)

THE INDIAN FINANCE BILL.

AS PASSED BY THE COUNCIL OF STATE ON THE 20TH MARCH, 1925, AND BY THE LEGISLATIVE ASSEMBLY ON THE 21ST MARCH, 1925.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows:— VIII of 1894. VI of 1898. X of 1923.

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1925.

(*2*) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(*3*) Sections 2 and 4 shall remain in force only up to the 31st day of March, 1926.

Fixation of salt duty.

2. (*1*) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the first day of April, 1925, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section. XII of 1882

(*2*) With effect from the first day of April, 1925, section 2 of the Indian Finance Act, 1924, is hereby repealed.

Amendment of Act VIII of 1894.

3. With effect from the first day of April, 1925, the amendments specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894. VIII of 1894.

Postal rates.

4. With effect from first day of April, 1925, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. VI of 1898.

II of 1917.

5. With effect from the first day of April, 1925, the following amendments shall be made in the Motor Spirit (Duties) Act, 1917, namely :—

(*a*) in sub-section (*1*) of section 3 for the words "six annas" the words "four annas" shall be substituted ;

(*b*) section 6 shall be omitted.

X of 1923.

Amendment of Act X of 1923.

6. In sub-section (*7*) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1925" the figures "1926" shall be substituted.

Income-tax and super-tax.

7. (*1*) Income-tax for the year beginning on the first day of April, 1925, shall be charged at the rates specified in Part I of the Third Schedule.

XI of 1922.

(*2*) The rates of super-tax for the year beginning on the first day of April, 1925, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule.

XI of 1922.

(*3*) For the purposes of the Third Schedule, "total income" means total income as determined, for the purposes of income-tax or super tax as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922.

(Schedules as on pages 169—171 of this volume)

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

Delhi, the 28th March, 1925.

The following Act of the Indian Legislature received the assent of the Governor General on the 25th March, 1925, and is hereby promulgated for general information :—

ACT NO. XIII OF 1925.

An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows :— VIII of 1894. VI of 1898. X of 1923.

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1925.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) Sections 2 and 4 shall remain in force only up to the 31st day of March 1926.

Fixation of salt duty.

2. (*1*) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the 1st day of April, 1925, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section. XII of 1882.

(2) With effect from the first day of April, 1925, section 2 of the Indian Finance Act, 1924, is hereby repealed.

Amendment of Act VIII of 1894.

3. With effect from the first day of April, 1925, the amendments specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894. VIII of 1894.

Postal rates.

4. With effect from the first day of April, 1925, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. VI of 1898.

II of 1917.

5. With effect from the first day of April, 1925, the following amendments shall be made in the Motor Spirit Duties Act, 1917, namely :—

(*a*) in sub-section (*1*) of section 3 for the words "six annas" the words "four annas" shall be substituted ;

(*b*) section 6 shall be omitted.

X of 1923.

Amendment of Act X of 1923.

6. In sub-section (*7*) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1925" the figures "1926" shall be substituted.

Income-tax and super-tax.

7. (*1*) Income-tax for the year beginning on the first day of April, 1925, shall be charged at the rates specified in Part I of the Third Schedule.

XI of 1922.

(*2*) The rates of super-tax for the year beginning on the first day of April, 1925, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule.

XI of 1922.

(*3*) For the purposes of the Third Schedule, "total income" means total income as determined, for the purposes of income-tax or super-tax as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922.

SCHEDULE I.

Amendments to be made in Schedule II to the Indian Tariff Act, 1894.

[*See section 3.*]

1. After Item No. 1 the following item shall be inserted, namely :—

"A GRAIN and PULSE, all sorts, including broken grains and pulse, but excluding flour (*see* No. 68)"

2. In Item No. 40, the words "and MOTOR SPIRIT", where they first occur in the entry in the second column, and the NOTE to that entry shall be omitted.

3. After Item No. 40 the following item shall be inserted, namely :—

"40A MOTOR SPIRIT . . . Imperial Gallon. Four annas."

4. Item No. 47 and the heading thereto shall be omitted.

5. In Item No. 51, after the figures "15, 16" the figures and letter "51-B" shall be inserted.

6. After Item No. 51-A the following item shall be inserted, namely :—

"51-B HEALD, HEALD CORDS, HEALD KNITTING NEEDLES, REEDS and SHUTTLES."

7. In Item No. 75, after the figures "40" the figures and letter "40-A," shall be inserted.

8. In Item No. 96, for the word and figures "and 18" the figures and word "18 and 51-B" shall be substituted.

SCHEDULE II.

Schedule to be inserted in the Indian Post Office Act, 1898.

(*See section 4.*)

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

(*See section 7.*)

Letters.

For a weight not exceeding two and a half tolas	One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas	One anna.

Postcards.

Single	Half an anna.
Reply	One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof	Half an anna.

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas . . .	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas . . .	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas . . .	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas . . .	Four annas."

SCHEDULE III.

(*See section 7.*)

PART I.

Rates of Income-tax.

	Rates.
A. In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(1) When the total income is less than ₹2,000	*Nil.*
(2) When the total income is ₹2,000 or upwards, but is less than ₹5,000.	Five pies in the rupee.
(3) When the total income is ₹5,000 or upwards, but is less than ₹10,000.	Six pies in the rupee.
(4) When the total income is ₹10,000 or upwards, but is less than ₹20,000.	Nine pies in the rupee.
(5) When the total income is ₹20,000 or upwards, but is less than ₹30,000.	One anna in the rupee.
(6) When the total income is ₹30,000 or upwards, but is less than ₹40 000.	One anna and three pies in the rupee.
(7) When the total income is ₹40,000 or upwards	One anna and six pies in the rupee.
B. In the case of every company, and registered firm, whatever its total income.	One anna and six pies in the rupee.

PART II.

Rates of Super tax.

In respect of the excess over fifty thousand rupees of total income :—

	Rates.
(1) in the case of every company	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first twenty-five thousand rupees of the excess .	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess.	One anna in the rupee.
(*b*) in the case of every individual unregistered firm, and other association of individuals not being a registered firm or a company for every rupee of the first fifty thousand rupees of such excess.	One anna in the rupee.
(*c*) in the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(*i*) for every rupee of the second fifty thousand rupees of such excess .	One and a half annas in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess .	Two annas in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess .	Two and a half annas in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess .	Three annas in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess .	Three and a half annas in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess .	Four annas in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess .	Four and a half annas in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess .	Five annas in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess .	Five and a half annas in the rupee.
(*x*) for every rupee of the remainder of the excess	Six annas in the rupee.

L. GRAHAM,

Secy. to the Govt. of India.

No. 3510-F.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

Delhi, the 28th March 1925.

RESOLUTION.

The statements relating to the Revised estimates for 1924-25 and the Budget estimates for 1925-26 which were presented to the Legislative Assembly and the Council of State on the 20th and 28th February 1925 have now been revised with reference to the changes made by the Legislative Assembly when voting the demands for grants, the restoration by the Governor General in Council of certain demands refused by the Assembly and the decision to remit in part the contributions of certain Provinces in accordance with the Resolutions passed by the Legislative Assembly and the Council of State on the 21st and 23rd March 1925 respectively. Certain alterations not affecting Revenue and Expenditure have also been made in the estimates in the light of more recent information. The revised statements are now published for general information.

2. The following reductions were made by the Legislative Assembly in the course of the voting of the demands :—

Expenditure charged to Revenue.

Demand.	Rs.
1. Railway Board	78,100
4. Working Expenses : Administration . .	39,00,100
5. Working Expenses : Operation and Maintenance	35,00,000
16. Customs	77,000
17. Taxes on Income	100
18. Salt	100
19. Opium	100
20. Stamps	17,00,000
28. Executive Council	62,000

Expenditure charged to Capital.

Demand.	Rs.
8. Railways : Open line works	20,00,000

Of these, the Governor General in Council has, under section 67A (7) of the Government of India Act, decided to restore the reductions under demands Nos. 16 and 28 and also Rs. 10,00,000 out of the reduction of Rs. 20,00,000 under demand No. 8. For the rest it is considered that an allowance should

be made for supplementary grants in respect of reductions under demands Nos. 1, 4, 5, 8 and 20 as follows:—

Expenditure charged to Revenue.

Demand.	Rs.
1. Railway Board	40,000
4. Working Expenses: Administration . .	39,00,000
5. Working Expenses: Operation and Maintenance	35,00,000
20. Stamps	17,00,000
	91,40,000

Expenditure charged to Capital.

Demand.	Rs.
8. Railways: Open line works	10,00,000

The net result of these changes is that the total Revenue and Expenditure charged to Revenue for the year 1925-26 are now estimated at Rs. 1,30,67,97,100 and 1,30,43,83,600 respectively, leaving a surplus of Rs. 24,13,500.

A. C. McWATTERS,

Secretary to the Government of India.

Budget

of the

Government of India,

March 1925

ACCOUNTS	1923-24
REVISED ESTIMATES	1924-25
BUDGET ESTIMATES	1925-26

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I.--General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
		Rs.	Rs.	Rs.	Rs.
Revenue—					
Principal Heads of Revenue—					
Customs	A	39,69,64,296	45,01,82,000	44,76,44,000	46,35,00,000
Taxes on Income . . .	,,	18,23,55,516	18,21,97,000	16,47,26,000	17,34,87,000
Salt	,,	10,01,50,870	9,04,62,000	7,73,78,000	6,95,00,000
Opium	,,	4,24,81,654	4,33,60,000	3,68,30,000	3,55,85,000
Other Heads . . .	,,	2,28,56,225	2,22,32,000	2,08,21,000	2,23,14,000
TOTAL PRINCIPAL HEADS .		74,48,08,561	78,84,33,000	74,73,99,000	76,43,86,000
Railways : Net Receipts (as per Railway Budget) .		32,69,42,393	29,74,93,000	34,19,37,000	33,89,44,000
Irrigation : Net Receipts .	A	10,54,064	12,47,000	8,91,000	10,42,000
Posts and Telegraphs : Net Receipts	,,	96,12,987	1,07,41,000	91,14,000	68,11,000
Interest Receipts . .	,,	3,16,59,620	3,17,25,000	3,79,59,000	3,60,44,000
Civil Administration . .	,,	68,51,292	72,01,000	70,70,000	72,60,000
Currency and Mint . .	,,	3,12,73,991	3,63,86,000	3,94,93,000	4,08,07,000
Civil Works . . .	,,	37,05,245	12,36,000	12,12,000	10,18,000
Miscellaneous . . .	,,	94,78,186	67,48,000	33,50,000	43,21,000
Military Receipts . .	,,	4,81,56,397	2,75,16,000	4,16,96,000	4,01,17,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments .	,,	9,21,54,718	9,22,11,000	9,25,16,000	6,22,14,000
Extraordinary Items .	,,	2,59,65,851	...	2,55,89,000	38,33,000
TOTAL REVENUE .		1,33,16,63,305	1,30,09,37,000	1,34,82,26,000	1,30,67,97,000*
DEFICIT		...	...	...	...
TOTAL .		1,33,16,63,305	1,30,09,37,000	1,34,82,26,000	1,30,67,97,000

DELHI,
FINANCE DEPARTMENT,
The 28th March 1925.

M. F. GAUNTLETT,
Auditor General.

Revenue of the Central Government, in India and in England.

	For details, *vide* Statement.	Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
Expenditure—		Rs.	Rs.	Rs.	Rs.
Direct Demands on the Revenues	B	5,44,04,114	5,54,12,000	5,45,62,000	5,28,91,000
Forest and other Capital outlay charged to Revenue	,,	...	...	21,11,000	32,93,000
Railways : Interest and Miscellaneous Charges (as per Railway Budget)	,,	26,25,21,458	25,16,79,000	28,55,02,000	28,65,58,000
Irrigation	,,	16,42,139	22,85,000	21,94,000	17,79,000
Posts and Telegraphs	,,	25,37,942	—11,00,000	—62,000	—28,17,000
Debt Services	,,	17,38,41,971	18,32,51,000	17,92,04,000	18,18,06,000
Civil Administration	,,	9,33,97,308	9,80,28,000	10,26,87,000	10,97,98,000
Currency and Mint	,,	99,07,398	77,31,000	73,20,000	73,47,000
Civil Works	,,	1,70,31,590	2,06,50,000	1,93,27,000	1,68,47,000
Miscellaneous	,,	4,46,49,882	4,88,73,000	4,47,95,000	4,01,91,000
Military Services	,,	61,04,31,760	63,00,16,000	60,49,96,000	60,26,17,000
Miscellaneous adjustments between the Central and Provincial Governments	,,	37,98,778	22,65,000	56,32,000	15,74,000
Extraordinary Items	,,	3,40,96,207	...	...	25,00,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,30,77,63,547	1,29,90,90,000	1,30,82,68,000	1,30,43,84,000*
SURPLUS		2,38,99,758	18,47,000	3,99,58,000	24,13,000*
TOTAL		1,33,16,63,305	1,30,09,37,000	1,34,82,26,000	1,30,67,97,000

* The total Revenue, the total Expenditure charged to Revenue and the surplus for 1925-26 are Rs. 1,30,67,97,100, Rs. 1,30,43,83,600 and Rs. 24,13,500 respectively but the figures have been shown in these statements in round thousands of rupees as usual.

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts.			
		Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
		Rs.	Rs.	Rs.	Rs.
Surplus	C	2,38,99,758	18,47,000	3,99,58,000	24,13,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards construction of State Railways (as per Railway Budget) . . .		—1,02,94,684	—27,71,65,000	—27,65,45,000	—4,84,63,000
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	C	37,13,70,540	36,85,62,000	30,05,83,000	8,95,14,000
Floating Debt (net incurred) .	,,	...	...	...	...
Unfunded Debt (net incurred).	,,	9,80,06,571	7,51,45,000	9,67,35,000	9,80,21,000
Deposits and Advances (net) .	,,	7,19,17,040	15,42,67,000	2,48,33,000	8,81,41,000
Loans and Advances by Central Government (net Repayments)	,,	...	6,70,000	...	...
Railway Depreciation and Reserve Funds as per Railway Budget (net) . .	,,	...	...	6,19,65,000	4,51,94,000
Remittances (net) . . .	,,	...	1,38,000	1,02,57,000	...
Balances of Provincial Governments (net)	,,	3,67,86,092	...	...	31,82,000
TOTAL DEBT, DEPOSITS AND ADVANCES .	...	57,80,80,243	59,87,82,000	49,43,73,000	32,40,52,000
TOTAL RECEIPTS .	...	59,16,85,317	32,34,64,000	25,77,86,000	27,80,02,000
Opening Balance—India .	...	25,95,80,424	29,77,01,424	31,13,62,292	24,26,92,292
England .	...	9,82,19,688	7,63,05,688	10,38,42,476	11,86,63,476
TOTAL .	...	94,94,85,429	69,74,71,112	67,29,90,768	63,93,57,768

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT,
The 28th March 1925.

Central Government, in India and in England.

	For details, *vide* Statement.	Disbursements. Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
		Rs.	Rs.	Rs.	Rs.
Deficit.	C	...	...	...	...
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—					
Construction of State Railways (as per Railway Budget)	,,	20,79,98,472	30,00,00,000	12,85,00,000	23,00,00,000
Redemption of Liabilities involved in the purchase of Railways (as per Railway Budget)	,,	...	...	...	3,43,33,000
Construction of Irrigation Works	,,	13,104	...	16,000	27,000
Capital outlay on Posts and Telegraphs	,,	75,21,560	1,73,95,000	1,64,98,000	2,13,53,000
Initial expenditure on new Capital at Delhi	,,	1,54,73,652	1,47,00,000	1,37,00,000	1,55,00,000
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	23,10,06,788	33,20,95,000	15,87,14,000	30,12,13,000
Debt, Deposits and Advances.					
Permanent Debt (net discharged)	C	...	...	...	...
Floating Debt (net discharged)	,,	19,46,70,000	2,13,00,000	2,12,20,000	...
Deposits and Advances (net)	,,	...	...	...	...
Loans and Advances by Central Government (net Advances)	,,	3,24,930	...	1,17,01,000	14,79,30,000
Loans between Central and Provincial Governments (net Advances)	,,	10,12,11,803	12,72,62,000	9,39,20,000	...
Remittances (net)	,,	70,67,140	...	...	9,65,000
Balances of Provincial Governments (net)	,,	...	3,00,23,000	2,60,80,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES	...	30,32,73,873	17,85,85,000	15,29,21,000	14,88,95,000
TOTAL DISBURSEMENTS	...	53,42,80,661	51,06,80,000	31,16,35,000	45,01,08,000
Closing Balance—India	...	31,13,62,292	13,87,36,424	24,26,92,292	13,13,48,292
England	..	10,38,42,476	4,80,54,688	11,86,63,476	5,79,01,476
TOTAL	...	94,94,85,429	69,74,71,112	67,29,90,768	63,93,57,768

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

A.—Statement of the Revenue of the

Heads of Revenue.	Accounts, 1923-24. India.	England.*	Exchange.	Total.	Item Number.
Principal Heads of Revenue—	Rs.	Rs.	Rs.	Rs.	
I.—Customs	39,69,64,296	...	...	39,69,64,296	1
II.—Taxes on Income	18,23,55,516	...	...	18,23,55,516	2
III.—Salt	10,01,50,870	...	...	10,01,50,870	3
IV.—Opium	4,24,81,654	...	...	4,24,81,654	4
V.—Land Revenue	43,05,972	...	...	43,05,972	5
VI.—Excise	48,24,895	...	...	48,24,895	6
VII.—Stamps—					
A.—Non-judicial	8,91,390	...	...	8,91,390	7
B.—Judicial	18,80,507	...	...	18,80,507	8
VIII.—Forest	21,20,378	...	...	21,20,378	9
IX.—Registration	1,55,779	...	...	1,55,779	10
X.—Tributes from Indian States	86,77,304	...	...	86,77,304	11
Total	74,48,08,561	...	...	74,48,08,561	12
Irrigation, etc.—					
XIII.—Works for which Capital accounts are kept—Gross Receipts	19,80,951	...	...	19,80,951	13
Deduct—Working Expenses	*9,60,724*	*91*	*39*	*9,60,854*	14
Net Receipts	10,20,227	—91	—39	10,20,097	15
XIV.—Works for which no Capital accounts are kept	33,967	...	..	33,967	16
Total	10,54,194	—91	—39	10,54,064	17
Posts and Telegraphs—					
XV.—Gross Receipts	10,07,79,139	16,68,677	7,66,505	10,32,14,321	18
Deduct—Working Expenses	*9,11,24,647*	*17,22,367*	*7,54,320*	*9,36,01,334*	19
Net Receipts	96,54,492	—53,690	12,185	96,12,987	20
Debt Services—					
XVI.—Interest	82,72,484	1,60,83,154	73,03,982	3,16,59,620	21
Carried over	76,37,89,731	1,60,29,373	73,16,128	78,71,35,232	

* Sterling converted into Rupees at £1 = Rs. 10.

Item Number.	Revised Estimate, 1924-25.			
	India.	* England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
1	44,76,44,000	...	...	44,76,44,000
2	16,50,00,000	—2,00,000	—74,000	16,47,26,000
3	7,73,78,000	...	...	7,73,78,000
4	3,68,30,000	...	...	3,68,30,000
5	38,43,000	...	...	38,43,000
6	42,83,000	...	...	42,83,000
7	8,53,000	...	...	8,53,000
8	18,38,000	...	...	18,38,000
9	13,06,000	...	...	13,06,000
10	1,63,000	...	...	1,63,000
11	85,35,000	...	...	85,35,000
12	74,76,73,000	—2,00,000	—74,000	74,73,99,000
13	18,88,000	...	...	18,88,000
14	*9,46,000*	*40,000*	*15,000*	*10,01,000*
15	9,42,000	—40,000	—15,000	8,87,000
16	4,000	...	...	4,000
17	9,46,000	—40,000	—15,000	8,91,000
18	10,34,97,000	8,20,000	3,04,000	10,46,21,000
19	*9,37,55,000*	*12,78,000*	*4,74,000*	*9,55,07,000*
20	97,42,000	—4,58,000	—1,70,000	91,14,000
21	90,30,000	2,10,94,000	78,35,000	3,79,59,000
	76,73,91,000	2,03,96,000	75,76,000	79,53,63,000

* Sterling converted into Rupees at £1 = Rs. 10.

Increase (+) Decrease (—) as compared with Budget Estimate, 1924-25.	Budget Estimate, 1925-26.		Item Number.
	India.	* England.	
Rs.	Rs.	Rs.	
—25,38,000	46,35,00,000	...	1
—1,74,71,000	17,40,21,000	—4,00,000	2
—1,30,84,000	6,95,00,000	...	3
—65,30,000	3,55,85,000	...	4
—1,19,000	38,44,000	...	5
—2,70,000	44,23,000	...	6
—52,000	8,61,000	...	7
+16,000	18,56,000	...	8
—8,90,000	26,48,000	...	9
+20,000	1,63,000	...	10
—1,16,000	85,19,000	...	11
—4,10,34,000	76,49,20,000	—4,00,000	12
—3,20,000	20,57,000	...	13
—32,000	*9,21,000*	*76,000*	14
—3,52,000	11,36,000	—76,000	15
—4,000	7,000	...	16
—3,56,000	11,43,000	—76,000	17
—14,33,000	10,74,42,000	5,40,000	18
—1,94,000	*10,00,94,000*	*9,43,000*	19
—16,27,000	73,48,000	—4,03,000	20
+62,34,000	97,91,000	1,96,90,000	21
—3,67,83,000	78,32,02,000	1,8[illegible],11,000	

* Sterling converted into Rupees at £1 = Rs. 10.

Central Government, in India and in England.

Item Number.	Budget Estimate, 1925-26. Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1924-25.	Heads of Revenue.
	Rs.	Rs.	Rs.	**Principal Heads of Revenue—**
1	...	46,35,00,000	+1,58,56,000	I.—Customs.
2	—1,34,000	17,34,87,000	+87,61,000	II.—Taxes on Income.
3	...	6,95,00,000	—78,78,000	III.—Salt.
4	...	3,55,85,000	—12,45,000	IV.—Opium.
5	...	38,44,000	+1,000	V.—Land Revenue.
6	...	44,23,000	+1,40,000	VI.—Excise.
				VII.—Stamps—
7	...	8,61,000	+8,000	A.—Non-judicial.
8	...	18,56,000	+18,000	B.—Judicial.
9	...	26,48,000	+13,42,000	VIII.—Forest.
10	...	1,63,000	...	IX.—Registration.
11	...	85,19,000	—16,000	X.—Tributes from Indian States.
12	—1,34,000	76,43,86,000	+1,69,87,000	Total.
				Irrigation, etc.—
				XIII.—Works for which Capital accounts are kept—Gross Receipts.
13	...	29,57,000	+1,69,000	
14	*25,000*	*10,22,000*	—21,000	*Deduct*—Working Expenses.
15	—25,000	10,35,000	+1,48,000	Net Receipts.
16	...	7,000	+3,000	XIV.—Works for which no Capital accounts are kept.
17	—25,000	10,42,000	+1,51,000	Total.
				Posts and Telegraphs—
18	1,80,000	10,81,62,000	+35,41,000	XV.—Gross Receipts.
19	*3,14,000*	*10,13,51,000*	—58,44,000	*Deduct*—Working Expenses.
20	—1,34,000	68,11,000	—23,03,000	Net Receipts.
				Debt Services—
21	65,63,000	3,60,44,000	—19,15,000	XVI.—Interest.
	62,70,000	80,82,83,000	+1,29,20,000	Carried over.

A.—Statement of the Revenue of the Central

Heads of Revenue.	Accounts, 1923-24. India.	England.*	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward	76,37,89,731	1,60,29,373	73,16,128	78,71,35,232	
Civil Administration–					
XVII.—Administration of Justice	4,37,748	...	...	4,37,748	1
XVIII.—Jails and Convict Settlements	7,17,750	...	...	7,17,750	2
XIX.—Police	1,33,325	...	...	1,33,325	3
XX.—Ports and Pilotage	21,83,144	...	...	21,83,144	4
XXI.—Education	1,49,206	...	...	1,49,206	5
XXII.—Medical	2,76,464	...	...	2,76,464	6
XXIII.—Public Health	1,57,093	...	...	1,57,093	7
XXIV.—Agriculture	8,40,656	...	...	8,40,656	8
XXV.—Industries	420	...	...	420	9
XXVI.—Miscellaneous Departments	19,55,486	...	...	19,55,486	10
Total	68,51,292	...	...	68,51,292	11
Currency and Mint–					
XXVII.—Currency	2,73,85,906	14,84,451	6,69,617	2,95,39,974	12
XXVIII.—Mint	17,33,972	31	14	17,34,017	13
Total	2,91,19,878	14,84,482	6,69,631	3,12,73,991	14
Civil Works–					
XXX.—Civil Works	37,05,245	...	...	37,05,245	15
Miscellaneous–					
XXXIII.—Receipts in aid of superannuation	30,10,977	3,64,081	1,69,403	35,44,461	16
XXXIV.—Stationery and Printing	13,34,927	6,515	2,923	13,44,365	17
XXXV.—Miscellaneous	4,36,522	29,42,205	12,10,633	45,89,360	18
Total	47,82,426	33,12,801	13,82,959	94,78,186	19
Carried over	80,82,48,572	2,08,26,656	93,68,718	83,84,43,946	

* Sterling converted into Rupees at £1=Rs. 10.

REVISED ESTIMATE, 1924-25.

Item Number.	India.	* England.	Exchange.	TOTAL.
	Rs.	Rs.	Rs.	Rs.
	76,73,91,000	2,03,96,000	75,76,000	79,53,63,000
1	4,40,000	...	...	4,40,000
2	5,53,000	...	...	5,53,000
3	88,000	...	...	88,000
4	24,11,000	...	...	24,11,000
5	1,67,000	...	...	1,67,000
6	1,23,000	...	...	1,23,000
7	1,80,000	...	...	1,80,000
8	9,73,000	...	...	9,73,000
9	...	...	...	...
10	21,35,000	...	...	21,35,000
11	70,70,000	...	...	70,70,000
12	2,86,58,000	52,30,000	19,32,000	3,57,90,000
13	37,02,000	1,000	...	37,03,000
14	3,23,60,000	52,01,000	19,32,000	3,94,93,000
15	12,12,000	...	...	12,12,000
16	15,62,000	3,44,000	1,28,000	20,34,000
17	9,39,000	7,000	3,000	9,49,000
18	—15,000	2,79,000	1,03,000	3,67,000
19	24,86,000	6,30,000	2,34,000	33,50,000
	81,05,19,000	2,62,27,000	97,42,000	84,64,88,000

Increase (+) Decrease (—) as compared with Budget Estimate, 1924-25.	Budget Estimate, 1925-26.		Item Number.
	India.	*England.	
Rs.	Rs.	Rs.	
—3,67,83,000	78,32,02,000	1,88,11,000	
—7,000	4,41,000	...	1
—2,31,000	5,89,000	...	2
—10,000	88,000	...	3
+1,62,000	24,24,000	...	4
+37,000	1,28,000	...	5
+14,000	1,21,000	...	6
+1,00,000	1,80,000	...	7
—57,000	9,52,000	...	8
...	...	...	9
—1,39,000	23,37,000	...	10
—1,31,000	72,60,000	...	11
+10,51,000	3,09,41,000	55,00,000	12
+20,56,000	25,31,000	1,000	13
+31,07,000	3,34,72,000	55,01,000	14
—24,000	10,18,000	...	15
—4,41,000	15,39,000	3,17,000	16
+86,000	11,27,000	6,000	17
—30,43,000	7,07,000	3,88,000	18
—33,98,000	33,73,000	7,11,000	19
—3,72,29,000	82,83,25,000	2,50,23,000	

*Sterling converted into Rupees at £1=Rs. 10.

Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1925-26. Exchange.	Total.	Increase (+) Decrease (−) as compared with Revised, 1924-25.	Heads of Revenue.
	Rs.	Rs.	Rs.	
	62,70,000	80,82,88,000	+1,29,20,000	Brought forward.
				Civil Administration—
1	...	4,41,000	+1,000	XVII.—Administration of Justice.
2	...	5,89,000	+36,000	XVIII.—Jails and Convict Settlements.
3	...	88,000	...	XIX.—Police.
4	...	24,24,000	+13,000	XX.—Ports and Pilotage.
5	...	1,28,000	−39,000	XXI.—Education.
6	...	1,21,000	−2,000	XXII.—Medical.
7	..	1,80,000	...	XXIII.—Public Health.
8	...	9,52,000	−21,000	XXIV.—Agriculture.
9	...	...	...	XXV.—Industries.
10	...	23,37,000	+2,02,000	XXVI.—Miscellaneous Departments.
11	...	72,60,000	+1,90,000	Total.
				Currency and Mint—
12	18,34,000	3,82,75,000	+24,85,000	XXVII.—Currency
13	...	25,32,000	−11,71,000	XXVIII.—Mint.
14	18,34,000	4,08,07,000	+13,14,000	Total.
				Civil Works—
15	...	10,18,000	−1,94,000	XXX.—Civil Works.
				Miscellaneous—
16	1,06,000	19,62,000	−72,000	XXXIII.—Receipts in aid of Superannuation.
17	2,000	11,35,000	+1,86,000	XXXIV.—Stationery and Printing.
18	1,29,000	12,24,000	+8,57,000	XXXV.—Miscellaneous.
19	2,37,000	43,21,000	+9,71,000	Total.
	83,41,000	86,16,89,000	+1,52,01,000	Carried over.

A.—Statement of the Revenue of the Central

Heads of Revenue.	Accounts, 1923-24. India.	* England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward .	80,82,48,572	2,08,26,656	93,68,718	83,84,43,946	
Military Receipts—					
XXXVI.—Army—					
Effective .	2,91,02,023	36,00,935	16,30,042	3,43,33,000	20
Non-effective	15,36,491	11,99,288	5,54,520	32,90,299	21
	3,06,38,514	48,00,223	21,84,562	3,76,23,299	22
XXXVII.—Marine . .	24,73,367	...	...	24,73,367	23
XXXVIII.—Military Engineer Services .	80,59,731	...	...	80,59,731	24
Total .	4,11,71,612	48,00,223	21,84,562	4,81,56,397	25
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—					
XXXIX.—Contributions to the Central Government by Provincial Governments .	9,20,00,000	...	...	9,20,00,000	26
XXXIXA—Miscellaneous adjustments between the Central and Provincial Governments .	1,54,718	...	...	1,54,718	27
Total .	9,21,54,718	...	...	9,21,54,718	28
Extraordinary Items—					
XL.—Extraordinary Receipts . .	18,75,963	1,67,50,000	73,39,888	2,59,65,851	29
Railway Revenues as per Railway Budget . . .	32,44,09,540	17,09,216	8,23,637	32,69,42,393	30
TOTAL REVENUE .	1,26,78,60,405	4,40,86,095	1,97,16,805	1,33,16,63,305	31

* Sterling conv erted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1924-25.			
	India.	England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
	81,05,19,000	2,62,27,000	97,42,000	84,64,88,000
20	2,82,71,000	49,63,000	18,43,000	3,50,77,000
21	10,97,000	10,65,000	3,96,000	25,58,000
22	2,93,68,000	60,28,000	22,39,000	3,76,35,000
23	12,75,000	...	...	12,75,000
24	27,86,000	...	...	27,86,000
25	3,34,29,000	60,28,000	22,39,000	4,16,96,000
26	9,20,12,000	...	...	9,20,12,000
27	5,04,000	...	...	5,04,000
28	9,25,16,000	...	...	9,25,16,000
29	81,000	1,86,00,000	69,08,000	2,55,89,000
30	33,91,81,000	20,10,000	7,46,000	34,19,37,000
31	1,27,57,26,000	5,28,65,000	1,96,35,000	1,34,82,26,000

Increase (+) Decrease (−) as compared with Budget Estimate, 1924-25.	Budget Estimate, 1925-26. India.	Budget Estimate, 1925-26. *England.	Item Number.
Rs.	Rs.	Rs.	
−3,72,29,000	82,83,25,000	2,50,23,000	
+1,36,71,000	2,37,93,000	29,93,000	20
+26,000	9,51,000	10,75,000	21
+1,36,97,000	2,47,44,000	40,68,000	22
−2,17,000	9,33,000	...	23
+7,00,000	90,16,000	...	24
+1,41,80,000	3,46,93,000	40,68,000	25
...	6,20,12,000	...	26
+3,05,000	2,02,000	...	27
+3,05,000	6,22,14,000	...	28
+2,55,89,000	...	28,75,000	29
+4,44,44,000	34,13,64,000	−18,15,000	30
+4,72,89,000	1,26,65,96,000	3,01,51,000	31

*Sterling converted into Rupees at £1 = Rs. 10.

Government, in India and in England—*concld.*

Item Number.	Budget Estimate, 1925-26. Exchange.	Budget Estimate, 1925-26. Total.	Increase (+) Decrease (−) as compared with Revised, 1924-25.	Heads of Revenue.
	Rs.	Rs.	Rs.	
	83,41,000	86,16,89,000	+1,52,01,000	Brought forward.
				Military Receipts—
				XXXVI.—Army—
20	9,98,000	2,77,84,000	−72,93,000	Effective.
21	3,58,000	23,84,000	−1,74,000	Non-effective.
22	13,56,000	3,01,68,000	−74,67,000	
23	...	9,38,000	−3,42,000	XXXVII.—Marine.
24	...	90,16,000	+62,30,000	XXXVIII.—Military Engineer Services.
25	13,56,000	4,01,17,000	−15,79,000	Total.
				Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—
26	...	6,20,12,000	−3,00,00,000	XXXIX.—Contributions to the Central Government by Provincial Governments.
27	...	2,02,000	−3,02,000	XXXIXA.—Miscellaneous adjustments between the Central and Provincial Governments.
28	...	6,22,14,000	−3,03,02,000	Total.
				Extraordinary Items—
29	9,58,000	38,33,000	−2,17,56,000	XL.—Extraordinary Receipts.
30	−6,05,000	33,89,44,000	−29,93,000	**Railway Revenues as per Railway Budget.**
31	1,00,50,000	1,30,67,97,000	−4,14,29,000	TOTAL REVENUE.

B.—Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1923-24. India.	* England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenues—					
1.—Customs	69,47,200	1,29,010	59,478	71,35,688	1
2.—Taxes on Income	62,26,438	28,031	12,955	62,67,424	2
3.—Salt	1,35,35,796	52,399	23,791	1,36,11,986	3
4.—Opium	2,58,09,228	47,722	22,609	2,58,79,559	4
5.—Land Revenue	10,51,443	44,248	20,582	11,16,273	5
6.—Excise	2,27,443	...	...	2,27,443	6
7.—Stamps—					
A.—Non-judicial	} —39,47,618	2,96,191	1,62,339	—34,89,088	7
B.—Judicial					8
8.—Forests	30,17,348	4,15,217	1,92,767	36,25,332	9
9.—Registration	29,497	...	...	29,497	10
Total	5,28,96,775	10,12,818	4,94,521	5,44,04,114	11
Forest and other Capital outlay charged to Revenue—					
3A.—Capital outlay on Salt Works	...	...	...	...	12
7A.—Capital outlay on Security Printing Press	...	...	...	...	13
Total	...	...	...	...	14
Irrigation, etc., Revenue Account—					
14.—Works for which Capital accounts are kept—					
Interest on Debt	11,92,750	...	...	11,92,750	15
15.—Other Revenue Expenditure	2,27,055	65,962	30,786	3,23,803	16
Total	14,19,805	65,962	30,786	15,16,553	17
Carried over	5,43,16,580	10,78,780	5,25,307	5,59,20,667	

* Sterling converted into Rupees at £1 = Rs. 10.

Item Number.	Revised Estimate, 1924-25.			
	India.	* England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
1	76,36,000	1,65,000	61,000	78,62,000
2	59,16,000	89,000	33,000	60,38,000
3	1,25,43,000	73,000	27,000	1,26,43,000
4	2,36,68,000	65,000	24,000	2,37,57,000
5	12,28,000	10,000	4,000	12,42,000
6	2,31,000	5,000	2,000	2,38,000
7	—6,23,000	3,30,000	1,23,000	—1,70,000
8				
9	25,79,000	2,49,000	92,000	29,20,000
10	32,000	...	...	32,000
11	5,32,10,000	9,86,000	3,66,000	5,45,62,000
12	10,06,000	...	...	10,06,000
13	9,82,000	90,000	33,000	11,05,000
14	19,88,000	90,000	33,000	21,11,000
15	12,41,000	...	...	12,41,000
16	8,03,000	25,000	9,000	8,37,000
17	20,44,000	25,000	9,000	20,78,000
	5,72,42,000	11,01,000	4,08,000	5,87,51,000

Increase (+) Decrease (—) as compared with Budget, 1924-25.	Budget Estimate, 1925-26.		Item Number.
	India.	* England.	
Rs.	Rs.	Rs.	
—3,61,000	81,61,000	2,01,000	1
—4,81,000	65,40,000	87,000	2
—18,92,000	1,35,41,000	72,000	3
+28,49,000	1,79,54,000	56,000	4
—95,000	14,15,000	17,000	5
—28,000	4,15,000	18,000	6
—3,43,000	7,02,000	80,000	7 & 8
—4,94,000	31,20,000	2,24,000	9
—5,000	37,000	...	10
—8,50,000	5,18,85,000	7,55,000	11
+10,06,000	14,93,000	...	12
+11,05,000	13,13,000	3,65,000	13
+21,11,000	28,06,000	3,65,000	14
...	12,50,000	...	15
—86,000	3,00,000	29,000	16
—86,000	15,50,000	29,000	17
+11,75,000	5,62,41,000	11,49,000	

* Sterling converted into Rupees at £1=Rs. 10.

of the Central Government, in India and in England.

Item Number.	Budget Estimate, 1925-26. Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1924-25.	Heads of Expenditure.
	Rs.	Rs.	Rs.	**Direct Demands on the Revenues—**
1	67,000	84,29,000	+5,67,000	1.—Customs.
2	29,000	66,56,000	+6,18,000	2.—Taxes on Income.
3	24,000	1,36,37,000	+9,94,000	3.—Salt.
4	19,000	1,80,29,000	—57,28,000	4.—Opium.
5	6,000	14,38,000	+1,96,000	5.—Land Revenue.
6	6,000	4,39,000	+2,01,000	6.—Excise.
7	26,000	8,08,000	+9,78,000	7.—Stamps— A.—Non-judicial. B.—Judicial.
8	74,000	34,18,000	+4,98,000	8.—Forests.
9	...	37,000	+5,000	9.—Registration.
11	2,51,000	5,28,91,000	—16,71,000	Total
				Forest and other Capital outlay charged to Revenue—
12	...	14,93,000	+4,87,000	3A.—Capital outlay on Salt Works.
13	1,22,000	18,00,000	+6,95,000	7A.—Capital outlay on Security Printing Press.
14	1,22,000	32,93,000	+11,82,000	Total
				Irrigation, etc., Revenue Account—
				14.—Works for which Capital accounts are kept—
15	...	12,50,000	+9,000	Interest on Debt.
16	10,000	3,39,000	—4,98,000	15.—Other Revenue Expenditure.
17	10,000	15,89,000	—4,89,000	Total
	3,83,000	5,77,73,000	—9,78,000	Carried over

B.—Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1923-24. India.	England.*	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward .	5,43,16,580	10,78,780	5,25,307	5,59,20,667	
Irrigation, etc., Capital Account (charged to Revenue)—					
16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues . .	1,25,586	...	...	1,25,586	18
Posts and Telegraphs Revenue Account—					
17.—Posts and Telegraphs—Interest on Debt . .	63,88,844	...	...	63,88,844	19
Posts and Telegraphs Capital Account (charged to Revenue)—					
18.—Capital outlay on Posts and Telegraphs—					
Indian Postal and Telegraph Department.	—50,51,094	12,11,959	5,54,358	—32,84,777	20
Indo-European Telegraph Department .	—4,29,486	—98,533	—38,106	—5,66,125	21
Total .	—54,80,580	11,13,426	5,16,252	—38,50,902	22
Debt Services—					
19.—Interest on Ordinary Debt	20,10,52,772	10,26,95,582	4,65,79,673	35,03,28,027	23
Deduct—Amount chargeable to—					
Salt . . .	...	...	...	...	24
Railways . . .	*11,22,14,021*	*4,34,72,394*	*2,00,03,722*	*17,56,90,137*	25
Irrigation . . .	*11,92,750*	...	...	*11,92,750*	26
Posts and Telegraphs .	*63,88,844*	...	...	*63,88,844*	27
Provincial Governments	*3,75,47,098*	...	...	*3,75,47,098*	28
Provincial Loans Fund .	...	...	...	...	29
Remainder chargeable to Ordinary Debt . .	4,37,10,059	5,92,23,188	2,65,75,951	12,95,09,198	30
20.—Interest on other Obligations . . .	3,00,66,881	70,519	30,901	3,01,68,301	31
21.—Reduction or Avoidance of Debt . . .	73,61,000	44,26,026	18,80,446	1,36,67,472	32
Total .	8,11,37,940	6,37,19,733	2,84,87,298	17,33,44,971	33
Carried over .	13,64,88,370	6,59,11,939	2,95,28,857	23,19,29,166	34

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1924-25.			
	India.	* England.	Exchange.	Total.
	Rs.	Rs.	Rs.	Rs.
	5,72,12,000	11,01,000	4,08,000	5,87 51,000
18	1,16,000	...	...	1,16,000
19	70,75,000	...	...	70,75,000
20	—92,30,000	11,20,000	4,16,000	—76,94,000
21	—4,69,000	7,48,000	2,78,000	5,57,000
22	—96,99,000	18,68,000	6,94,000	—71,37,000
23	20,13,26,000	12,55,54,000	4,66,34,000	37,35,14,000
24	*2,76,000*	...	...	*2,76,000*
25	*12,58,17,000*	*6,51,39,000*	*2,41,94,000*	*21,51,50,000*
26	*12,41,000*	...	...	*12,41,000*
27	*70,75,000*	...	...	*70,75,000*
28	*4,30,33,000*	...	...	*4,30,33,000*
29	...	...	...	...
30	2,38,84,000	6,04,15,000	2,24,40,000	10,67,39,000
31	3,45,24,000	83,000	31,000	3,46,38,000
32	94,91,000	2,06,69,000	76,77,000	3,78,27,000
33	6,78,89,000	8,11,67,000	3,01,48,000	17,92,04,000
34	12,26,23,000	8,41,36,000	3,12,50,000	23,80,09,000

Increase (+) Decrease (—) as compared with Budget, 1924-25.	Budget Estimate, 1925-26.		Item Number.
	India.	* England.	
Rs.	Rs.	Rs.	
+11,75,000	5,62,41,000	11,49,000	
—5,000	1,90,000	...	18
—25,000	69,66,000	...	19
+10,51,000	—95,41,000	...	20
+12,000	—4,73,000	1,73,000	21
+10,63,000	—1,00,14,000	1,73,000	22
+2,32,24,000	20,58,96,000	13,07,64,000	23
—2,76,000	*3,38,000*	..	24
—2,50,81,000	*13,64,44,000*	*7,29,17,000*	25
...	*12,50,000*	...	26
+25,000	*69,66,000*	...	27
+15,75,000	...	...	28
...	*4,95,34,000*	...	29
—5,33,000	1,13,64,000	5,78,47,000	30
—17,68,000	4,30,35,000	95,000	31
—17,46,000	5,01,50,000	...	32
—40,47,000	10,45,49,000	5,79,42,000	33
—18,39,000	15,79,32,000	5,92,64,000	34

* Sterling converted into Rupees at £1=Rs. 10.

of the Central Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1925-26. Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1924-25.	Heads of Expenditure.
	Rs.	Rs.	Rs.	
	3,83,000	5,77,73,000	—9,78,000	Brought forward.
				Irrigation, etc., Capital Account (charged to Revenue)—
18	...	1,90,000	+74,000	16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues.
				Posts and Telegraphs Revenue Account—
19	...	69,66,000	—1,09,000	17.—Posts and Telegraphs—Interest on Debt.
				Posts and Telegraphs Capital Account (charged to Revenue)—
20	...	—95,41,000	—18,47,000	18.—Capital outlay on Posts and Telegraphs—Indian Postal and Telegraph Department.
21	58,000	—2,42,000	—7,99,000	Indo-European Telegraph Department.
22	58,000	—97,83,000	—26,46,000	Total
				Debt Services—
23	4,35,88,000	38,02,48,000	+67,34,000	19.—Interest on Ordinary Debt.
				Deduct—Amount chargeable to—
24	...	*3,38,000*	—62,000	Salt.
25	*2,43,05,000*	*23,36,66,000*	—1,85,16,000	Railways.
26	...	*12,50,000*	—9,000	Irrigation.
27	...	*69,66,000*	+1,09,000	Posts and Telegraphs.
28	...	..	+4,30,33,000	Provincial Governments.
29	...	*4,95,34,000*	—4,95,34,000	Provincial Loans Fund.
30	1,92,83,000	8,84,94,000	—1,82,45,000	Remainder chargeable to Ordinary Debt.
31	32,000	4,31,62,000	+85,24,000	20.—Interest on other Obligations.
32	...	5,01,50,000	+1,23,23,000	21.—Reduction or Avoidance of Debt.
33	1,93,15,000	18,18,06,000	+26,02,000	Total
34	1,97,56,000	23,69,52,000	—10,57,000	Carried over

B.—Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1923-24. India.	* England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward .	13,64,88,370	6,59,11,939	2,95,28,857	23,19,29,166	
Civil Administration—					
22.—General Administration—					
A.—Heads of Provinces (including Governor General) and Executive Councils .					1
B.—Legislative Bodies .					2
C.—Secretariat and headquarters establishment . .	1,12,10,502	...	..	1,12,10,502	3
D.—Commissioners . .					4
E.—District Administration . . .					5
F.—Home Administration, etc. . . .	...	29,97,122	13,78,363	43,75,485	6
23.—Audit	70,87,470	2,53,891	1,17,485	74,58,846	7
24.—Administration of Justice	12,71,302	57,709	28,401	13,57,412	8
25.—Jails and Convict Settlements. . . .	35,91,868	41,289	18,479	36,51,636	9
26.—Police	81,61,732	1,66,096	77,528	84,05,356	10
27.—Ports and Pilotage .	21,81,705	99,490	47,253	22,78,448	11
28.—Ecclesiastical . .	25,58,444	2,52,390	1,16,509	29,27,343	12
29.—Political . . .	3,01,56,925	—2,59,523	—1,37,745	2,97,59,657	13
30.—Scientific Departments.	77,16,488	4,98,487	2,26,225	84,71,200	14
31.—Education . . .	29,44,465	79,941	36,471	30,60,877	15
32.—Medical . . .	23,49,999	3,12,924	1,46,592	28,09,515	16
33.—Public Health . .	10,67,856	54,522	24,253	11,46,631	17
34.—Agriculture . . .	22,39,471	89,054	42,316	23,70,841	18
35.—Industries . . .	19,138	27,614	12,530	59,282	19
36.—Aviation . . .	16,454	3,038	1,333	20,825	20
37.—Miscellaneous Departments . . .	19,34,739	14,49,761	6,48,952	40,33,452	21
Total .	8,44,88,558	61,23,805	27,84,945	9,33,97,308	22
Currency and Mint—					
38.—Currency . . .	29,52,347	36,84,849	17,15,555	83,52,751	23
39.—Mint	15,06,578	32,656	15,413	15,54,647	24
Total .	44,58,925	37,17,505	17,30,968	99,07,398	25
Carried over .	22,54,35,853	7,57,53,249	3,40,44,770	33,52,33,872	

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1924-25.			
	India.	* England.	Exchange.	Total.
	Rs. 12,26,23,000	Rs. 8,41,36,000	Rs. 3,12,50,000	Rs. 23,80,09,000
1	22,08,000	...	...	22,08,000
2	7,78,000	...	....	7,78,000
3	71,01,000	...	...	71,01,000
4	...	...	...	...
5	16,92,000	...	...	16,92,000
6	...	30,62,000	11,37,000	41,99,000
7	76,29,000	2,08,000	77,000	79,14,000
8	11,43,000	56,000	21,000	12,20,000
9	37,10,000	45,000	17,000	37,72,000
10	91,67,000	1,71,000	64,000	94,02,000
11	23,27,000	1,25,000	46,000	24,98,000
12	25,37,000	5,66,000	2,10,000	33,13,000
13	3,12,26,000	6,33,000	2,35,000	3,20,94,000
14	69,11,000	6,81,000	2,53,000	73,45,000
15	30,91,000	76,000	28,000	31,94,000
16	23,04,000	1,85,000	69,000	25,58,000
17	12,86,000	66,000	25,000	13,77,000
18	29,40,000	1,51,000	56,000	31,47,000
19	62,18,000	33,000	12,000	62,63,000
20	23,000	3,000	1,000	27,000
21	19,21,000	4,84,000	1,80,000	25,85,000
22	9,37,11,000	65,45,000	24,31,000	10,26,87,000
23	28,62,000	22,04,000	8,19,000	58,85,000
24	14,01,000	25,000	9,000	14,35,000
25	42,63,000	22,29,000	8,28,000	73,20,000
	22,05,97,000	9,29,10,000	3,45,09,000	34,80,16,000

Increase (+) Decrease (—) as compared with Budget, 1924-25.	Budget Estimate, 1925-26. India.	* England.	Item Number.
Rs.	Rs.	Rs.	
—18,39 000	15,79,32,000	5,92,64,000	
—1,94,000	22,04,000	...	1
+36,000	7,21,000	...	2
—37,000	75,18,000	...	3
—8,000	...	...	4
+1,45,000	17,78,000	...	5
—4,27,000	...	32,86,000	6
—5,69,000	85,16,000	2,59,000	7
—30,000	11,87,000	77,000	8
—2,07,000	38,51,000	60,000	9
+5,25,000	93,25,000	2,64,000	10
—39,000	27,34,000	3,33,000	11
—18,000	26,00,000	8,60,000	12
—1,48,000	3,22,23,000	12,82,000	13
—5,88,000	71,25,000	7,68,000	14
+34,000	31,8[illegible],000	81,000	15
—3,33,000	28,58,000	3,33,000	16
+4,000	12,23,000	67,000	17
+4,85,000	26,06,000	1,54,000	18
+61,82,000	69,39,000	64,000	19
+5,000	30,000	3,000	20
—1 59,000	23,09,000	2,62,000	21
+46,59,000	9,89,27,000	81,53,000	22
—2,61,000	30,81,000	19,14,000	23
—1,50,000	16,56,000	44,000	24
—4,11 000	47.37,000	19.58,000	25
+24 09.000	26.15.96,000	6,93 75,000	

* Sterling converted into Rupees at £1 = Rs. 10.

of the Central Government, in India and in England —*contd.*

Item Number.	Budget Estimate, 1925-26. Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1924-25.	Heads of Expenditure.
	Rs. 1,97,56,000	Rs. 23,60,52,000	Rs. —10,57,000	Brought forward.
				Civil Administration—
				22.—General Administration—
				A.—Heads of Provinces (including Governor General) and Executive Councils.
1	...	22,04,000	—4,000	
2	...	7,21,000	—57,000	B.—Legislative Bodies.
				C.—Secretariat and headquarters establishment.
3	...	75,18,000	+4,17,000	
4	...	...	...	D.—Commissioners.
				E.—District Administration.
5	...	17,78,000	+86,000	F.—Home Administration, etc.
6	10,95,000	43,81,000	+1,82,000	23.—Audit.
7	86,000	88,61,000	+9,47,000	24.—Administration of Justice.
8	26,000	12,90,000	+70,000	25.—Jails and Convict Settlements.
9	20,000	39,31,000	+1,59,000	26.—Police.
10	88,000	96,77,000	+2,75,000	27.—Ports and Pilotage.
11	1,11,000	31,78,000	+6,80,000	28.—Ecclesiastical.
12	2,87,000	37,47,000	+4,34,000	29.—Political.
13	4,27,000	3,39,32,000	+18,38,000	30.—Scientific Departments.
14	2,56,000	81,49,000	+8,04,000	31.—Education.
15	27,000	32,88,000	+94,000	32.—Medical.
16	1,11,000	33,02,000	+7,44,000	33.—Public Health.
17	22,000	13,12,000	—65,000	34.—Agriculture.
18	51,000	28,11,000	—3,36,000	35.—Industries.
19	21,000	70,24,000	+7,61,000	36.—Aviation.
20	1,000	34,000	+7,000	37.—Miscellaneous Departments.
21	89,000	26,60,000	+75,000	
22	27,18,000	10,97,98,000	+71,11,000	Total.
				Currency and Mint—
23	6,38,000	56,33,000	—2,52,000	38.—Currency.
24	14,000	17,14,000	+2,79,000	39.—Mint.
25	6,52,000	73,47,000	+27,000	Total.
	2,31,26,000	35,40,97,000	+60,81,000	Carried over.

B.—Statement of the Expenditure charged to the Revenues

Heads of Expenditure.	Accounts, 1923-24. India.	* England.	Exchange.	Total.	Item Number.
	Rs.	Rs.	Rs.	Rs.	
Brought forward .	22,54,35,853	7,57,58,249	3,40,44,770	33,52,33,872	
Civil Works—					
41.—Civil Works . .	1,68,85,839	99,003	46,148	1,70,31,590	26
Miscellaneous—					
43.—Famine Relief and Insurance— A.—Famine Relief .	5,002	...	...	5,002	27
44.—Territorial and Political Pensions . . .	26,95,382	1,23,739	56,671	28,75,792	28
45.—Superannuation Allowances and Pensions .	11,86,238	1,95,94,442	89,79,164	2,97,59,844	29
46.—Stationery and Printing	29,26,384	15,18,346	6,76,463	51,21,193	30
47.—Miscellaneous . .	47,16,845	14,89,147	6,82,059	68,88,051	31
Total .	1,15,29,851	2,27,25,674	1,03,94,357	4,46,49,882	32
Military Services—					
48.—Army— Effective	37,76,17,123	6,03,71,596	2,75,23,976	46,55,12,695	33
Non-effective . . .	4,07,70,625	3,64,69,838	1,67,04,394	9,39,44,857	34
	41,83,87,748	9,68,41,434	4,42,28,370	55,94,57,552	35
49.—Marine . . .	59,91,668	25,08,108	11,54,649	96,54,425	36
50.—Military Engineer Services.	4,02,72,500	7,22,414	3,24,869	4,13,19,783	37
Total .	46,46,51,916	10,00,71,956	4,57,07,888	61,04,31,760	38
Contributions and Miscellaneous adjustments between Central and Provincial Governments— 51A.—Miscellaneous adjustments between the Central and Provincial Governments . .	37,98,778	...	...	37,98,778	
Extraordinary Items— 55.—Extraordinary Payments . . .	...	2,37,07,519	1,03,88,688	3,40,96,207	
Railway Expenditure as per Railway Budget . .	11,24,10,817	10,29,96,276	4,71,74,865	26,25,21,458	39
Total Expenditure charged to Revenue .	83,47,13,054	32,52,94,277	14,77,56,216	1,30,77,63,547	40

* Sterling converted into Rupees at £1=Rs. 10.

Item Number.	Revised Estimate, 1924-25.			
	India.	* England.	Exchange.	Total.
	Rs. 22,05,97,000	Rs. 9,29,10,000	Rs. 3,45,09,000	Rs. 34,80,16,000
26	1,91,80,000	1,07,000	40,000	1,93,27,000
27	...	...	...	...
28	29,94,000	1,16,000	43,000	31,53,000
29	17,64,000	1,95,47,000	72,23,000	2,84,34,000
30	38,23,000	7,71,000	2,87,000	48,86,000
31	48,99,000	24,96,000	9,27,000	83,22,000
32	1,34,85,000	2,28,30,000	84,80,000	4,47,95,000
33	37,47,78,000	6,64,78,000	2,46,92,000	46,59,48,000
34	3,91,31,000	3,72,10,000	1,38,21,000	9,01,62,000
35	41,39,09,000	10,36,88,000	3,85,13,000	55,61,10,000
36	48,58,000	20,96,000	7,78,000	77,32,000
37	4,03,93,000	5,55,000	2,06,000	4,11,54,000
38	45,91,60,000	10,63,39,000	3,94,97,000	60,49,96,000
	56,32,000	...	...	56,32,000
	...	...	...	...
39	16,75,50,000	8,60,07,000	3,19,45,000	28,55,02,000
40	88,56,04,000	30,81,93,000	11,44,71,000	1,30,82,68,000

* Sterling converted into Rupees at £1 = Rs. 10.

Increase (+) Decrease (—) as compared with Budget, 1924-25.	Budget Estimate, 1925-26.		Item Number.
	India.	* England.	
Rs. +24,09,000	Rs. 26,15,96,000	Rs. 6,93,75,000	
—13,23,000	1,66,99,000	1,11,000	26
—14,000	...	...	27
+1,59,000	29,47,000	1,15,000	28
—14,51,000	9,39,000	1,96,53,000	29
—2,34,000	21,15,000	6,81,000	30
—25,38,000	51,04,000	13,66,000	31
—40,78,000	1,11,05,000	2,18,15,000	32
—2,14,89,000	38,41,38,000	6,18,75,000	33
—12,11,000	3,88,12,000	3,69,53,000	34
—2,27,00,000	42,29,50,000	9,88,28,000	35
—14,36,000	55,15,000	20,89,000	36
—8,84,000	3,89,91,000	4,54,000	37
—2,50,20,000	46,74,56,000	10,13,71,000	38
+33,67,000	15,74,000	...	
...	25,00,000	...	
+3,38 23,000	17,01,73,000	8,72,89,000	39
+91,73,000	93,11,03,000	27,99,61,000	40

* Sterling converted into Rupees at £1 = Rs. 10.

of the Central Government, in India and in England—*contd.*

Item Number.	Budget Estimate, 1925-26. Exchange.	Budget Estimate, 1925-26. Total.	Increase (+) Decrease (—) as compared with Revised, 1924-25.	Heads of Expenditure.
	Rs. 2,31,26,000	Rs. 35,40,97,000	Rs. +60,81,000	Brought forward.
				Civil Works—
26	37,000	1,68,47,000	—24,80,000	41.—Civil Works.
				Miscellaneous—
27	...	...	...	43.—Famine Relief and Insurance— A.—Famine Relief.
28	38,000	31,00,000	—53,000	44.—Territorial and Political Pensions.
29	65,51,000	2,71,43,000	—12,91,000	45.—Superannuation Allowances and Pensions.
30	2,27,000	30,23,000	—18,63,000	46.—Stationery and Printing.
31	4,55,000	69,25,000	—13,97,000	47.—Miscellaneous.
32	72,71,000	4,01,91,000	—46,04,000	Total.
				Military Services—
33	2,06,25,000	46,66,38,000	+6,90,000	48.—Army— Effective.
34	1,23,18,000	8,80,83,000	—20,79,000	Non-effective.
35	3,29,43,000	55,47,21,000	—13,89,000	
36	6,96,000	83,00,000	+5,68,000	49.—Marine.
37	1,51,000	3,95,96,000	—15,58,000	50.—Military Engineer Services.
38	3,37,90,000	60,26,17,000	—23,79,000	Total.
				Contributions and miscellaneous adjustments between Central and Provincial Governments—
	...	15,74,000	—40,58,000	51A.—Miscellaneous adjustments between the Central and Provincial Governments.
				Extraordinary Items—
	...	25,00,000	+25,00,000	52.—Extraordinary Payments.
39	2,90,96,000	28,65,58,000	+10,56,000	**Railway Expenditure as per Railway Budget.**
40	9,33,20,000	1,30,43,84,000	—38,84,000	Total Expenditure charged to Revenue.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1923-24.		
	India.	*England.	Total.
	Rs.	Rs.	Rs.
Revenue (from Statement A)	1,26,78,60,405	4,40,86,095	1,31,19,46,500
Exchange added to Revenue	1,97,16,805	...	1,97,16,805
Total	1,28,75,77,210	4,40,86,095	1,33,16,63,305
Railway Capital not charged to Revenue—			
As per Railway Budget	—31,39,684	—71,55,000	—1,02,94,684
Public Debt Incurred—			
Permanent Debt—			
Sterling Debt—			
Debenture stock of East Indian and Great Indian Peninsula Railway Company taken over by Secretary of State	...	...	
5½ per cent. Stock	...	9,28,370	
4½ per cent. Stock	...	18,06,53,306	
7 per cent. stock	...	...	
Rupee Debt—			
New Rupee Loan	...	...	
6 per cent. Bonds, 1930	3,000	...	
6 per cent. Bonds, 1927	2,500	...	
5 per cent. Loan, 1945-55	9,79,77,400	...	
5 per cent. Bonds, 1933	14,17,72,200	...	
3½ per cent. Loans	...	...	
3 per cent. Loans	...	...	
Total	23,97,55,100	18,15,81,676	42,13,36,776
Floating Debt—			
Treasury Bills—			
Issued to Public	6,63,15,000	...	
Issued to Paper Currency Reserve	55,25,00,000	...	
Other Floating Loans	5,00,00,000	...	
Total	66,88,15,000	...	66,88,15,000
Unfunded Debt—			
Deposits of Service Funds	—36,621	11,22,442	
Post Office Cash Certificates	6,90,79,231	...	
Savings Bank Deposits	25,47,26,107	1,88,556	
Total	32,37,68,717	13,10,998	32,50,79,715
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	13,24,62,010	...	
Other Funds	8,16,63,759	...	
Sinking Funds for Central Loans	73,69,702	...	
Other appropriation for Reduction or Avoidance of Debt	...	...	
Sinking Fund Investment Account	...	...	
Sinking Funds for loans granted to local bodies	3,25,104	...	
Gold Standard Reserve	...	1,23,86,68,427	
Paper Currency Reserve	2,97,72,262	42,25,32,032	
Deposits of Branch Line Companies	1,52,391	...	
Posts and Telegraphs Depreciation Fund	...	...	
Departmental and Judicial Deposits	77,35,40,788	...	
Advances	13,40,41,670	77,40,174	
Suspense Accounts	3,64,64,629	1,57,28,783	
Exchange on Remittance Accounts	3,07,89,179	...	
Miscellaneous	59,83,048	45,11,114	
Provincial Loans Fund	...	...	
Total	1,23,25,64,542	1,68,91,80,530	2,92,17,45,072
Railway Depreciation and Reserve Funds as per Railway Budget	...	...	...
Carried over	3,74,93,40,885	1,90,90,04,299	

*Sterling converted into Rupees at £1=Rs. 10.

Central Government, in India and in England.

Revised Estimate, 1924-25.			Budget Estimate, 1925-26.		
India.	* England.	Total.	India.	* England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,27,57,26,000	5,28,65,000	1,32,85,91,000	1,26,65,96,000	3,01,51,000	1,29,67,47,000
1,96,35,000	...	1,96,35,000	1,00,50,000	...	1,00,50,000
1,29,53,61,000	5,28,65,000	1,34,82,26,000	1,27,66,46,000	3,01,51,000	1,30,67,97,000
—8,72,85,000	—18,92,60,000	—27,65,45,000	—1,37,13,000	—3,47,50,000	—1,84,63,000
...	18,50,01,000		...	3,50,00,000	
...	9,87,000		...	10,50,000	
...	8,68,000		...	9,15,000	
...	...		...	94,000	
...	...		12,00,00,000	...	
...	...		...	...	
...	...		...	...	
5,93,36,000	...		...	...	
7,27,86,000	...		...	...	
7,70,000	...		7,20,000	...	
...	...		...	...	
13,28,92,000	18,68,55,000	31,97,47,000	12,07,20,000	3,70,59,000	15,77,79,000
...	...		...	...	
49,65,00,000	...		49,65,00,000	...	
...	...		...	...	
49,65,00,000	...	49,65,00,000	49,65,00,000	...	49,65,00,000
12,63,000	2,10,000		12,19,000	2,22,000	
6,06,00,000	...		5,76,00,000	...	
26,45,45,000	1,70,000		28,76,80,000	1,70,000	
32,64,08,000	3,80,000	32,67,88,000	34,64,99,000	3,92,000	34,68,91,000
13,54,32,000	...		13,59,19,000	...	
8,12,23,000	...		8,36,63,000	...	
90,44,000	...		97,21,000	...	
6,50,000	...		4,04,29,000	...	
35,83,000	...		...	...	
3,38,000	...		3,52,000	...	
...	79,04,74,000		...	45,09,67,000	
...	70,66,25,000		...	79,98,23,000	
4,82,000	...		4,83,000	...	
...	...		32,76,000	...	
78,31,07,000	...		78,12,87,000	...	
17,89,21,000	55,51,000		16,65,59,000	8,04,000	
1,64,60,000	2,32,47,000		1,68,31,000	1,66,48,000	
5,84,98,000	...		2,57,94,000	...	
1,31,70,000	49,47,000		1,01,95,000	18,30,000	
...	...		20,08,42,000	...	
1,28,09,08,000	1,53,08,44,000	2,81,17,52,000	1,47,53,51,000	1,27,00,72,000	2,74,54,23,000
14,44,65,000	...	14,44,65,000	14,01,94,000	...	14,01,94,000
3,58,92,49,000	1,58,16,84,000		3,84,21,97,000	1,30,29,24,000	

* Sterling converted into Rupees at £1=Rs. 10.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1923-24.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Brought forward	3,74,93,40,885	1,90,90,04,299	
Loans and Advances by the Central Government—			
Advances to the Provincial Loans Fund	...	...	...
Other loans and advances	41,14,410	...	41,14,410
Total	41,14,410	...	41,14,410
Loans between Central and Provincial Governments	2,15,93,443	...	2,15,93,443
Remittances—			
Remittances withiu India—			
Inland Money Orders	84,87,90,877	...	
Other Local Remittances	...	...	
Other Departmental Accounts	48,423	...	
Net Receipts by Civil Treasuries from—			
Railways	17,08,89,835	...	
Posts and Telegraphs	3,85,80,769	...	
Net Receipts from Civil Treasuries by—			
Marine	72,76,387	...	
Army and Military Engineer Services	43,35,00,287	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	100	2,41,60,960	
Sale of gold	...	2,00,00,000	
Other transactions	2,49,67,081	5,14,23,926	
Remittances from India for financing Home Treasury	...	23,14,16,640	
Transfers through the Paper Currency Reserve	14,02,03,794	5,84,77,728	
Total	1,66,42,57,553	38,54,79,254	2,04,97,36,807
Balances of Provincial Governments	5,50,80,660	...	5,50,80,660
Total Receipts	5,49,43,86,951	2,29,44,83,553 (a)	
Opening Balance	25,95,80,424	9,82,19,688	
GRAND TOTAL	5,75,39,67,375	2,39,27,03,241	

* Sterling converted into Rupees at £1=Rs. 10.
(a) Of this amount, £36,584 represents the funds of the Gold Standard Reserve.

Central Government, in India and in England—*contd.*

Revised Estimate, 1924-25.			Budget Estimate, 1925-26.		
India.	* England.	Total.	India.	* England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3,58,92,49,000	1,58,16,84,000		3,84,21,97,000	1,30,29,24,000	
...	...	...	...	...	...
38,87,000	...	38,87,000	76,34,000	...	76,34,000
38,87,000	...	38,87,000	76,34,000	...	76,34,000
1,27,18,000	...	1,27,18,000	...	...	...
86,00,00,000	...		87,00,00,000	...	
11,38,000	...		7,52,000	...	
3,90,14,000	...		3,68,43,000	...	
32,98,66,000	...		21,86,25,000	...	
3,91,05,000	...		3,27,15,000	...	
38,79,000	...		49,95,000	...	
39,3[illegible],28,000	...		39,06,29,000	...	
...	1,63,10,000		...	1,70,00,000	
...	...		...	...	
96,19,000	2,61,67,000		91,63,000	2,02,10,000	
...	42,00,00,000		...	31,50,00,000	
6,00,00,000	...		...	...	
1,73,61,49,000	46,27,77,000	2,19,89,26,000	1,56,37,22,000	35,22,10,000	1,91,59,32,000
2,13,000	...	2,13,000	3,37,85,000	...	3,37,85,000
5,34,22,16,000	2,04,44,61,000		5,44,73,38,000	1,65,51,34,000	
31,13,62,292	(b) 10,38,42,476		24,26,92,292	(b) 11,86,63,476	
5,65,35,78,292	2,14,83,03,476		5,69,00,30,292	1,77,37,97,476	

* Sterling converted into Rupees at £1=Rs. 10.

(b) Of this amount, Rs. 9,414 represents the funds of the Gold Standard Reserve.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1923-24.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	83,47,13,054	32,52,94,277	1,16,00,07,331
Exchange charged as Expenditure	14,77,56,216	...	14,77,56,216
Total	98,24,69,270	32,52,94,277	1,30,77,63,547
Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—			
Construction of Irrigation Works	10,883	2,221	13,104
Capital outlay on Posts and Telegraphs	75,21,560	...	75,21,560
Initial expenditure on new Capital at Delhi	1,48,67,055	6,06,597	1,54,73,652
Railway Capital not charged to Revenue—			
As per Railway Budget	10,90,20,826	9,89,77,646	20,79,98,472
Public Debt Discharged—			
Permanent Debt—			
Sterling Debt—			
State Railway Annuities	...	...	
,, Sinking Funds	...	...	
Redemption of liabilities assumed in respect of British War Loan (192 7	...	...	
Rupee Debt—			
5½ p. c. War Bonds, 1920	4,29,475		
Do. Do. 1921	6,36,625	...	
Do. Do. 1922	17,17,725	...	
Do. Do. 1923	1,50,51,575	...	
Do. Do. 1925	1,400	...	
Do. Do. 1928	32,300	...	
5 p. c. War Loan, 1929-47	41,07,300	...	
5 p. c. Loan, 1945-55	...	...	
4 p. c. Loans	2,78,15,700	...	
3½ p. c. Loans	2,936	...	
3 p. c. Loan	1,71,000	...	
Government stock notes	200	...	
Total	4,99,66,236	...	4,99,66,236
Floating Debt—			
Treasury Bills—			
Issued to Public	26,09,85,000		
Do. Paper Currency Reserve	55,25,00,000	...	
Other Floating Loans	5,00,00,000	...	
Total	86,34,85,000	...	86,34,85,000
Unfunded Debt—			
Special Loans	23,027	...	
Deposits of Service Funds	15,27,465	2,90,009	
Post Office Cash Certificates	1,61,80,728	...	
Savings Bank Deposits	20,89,79,691	72,224	
Total	22,67,10,911	3,62,233	22,70,73,144
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	12,88,63,159	...	
Other Funds	8,39,69,046	...	
Sinking Funds for Central Loans	37,80,029	...	
Sinking Fund Investment Account	35,82,696	...	
Gold Standard Reserve	...	1,23,86,95,596	
Paper Currency Reserve	...	42,25,32,032	
Deposits of Branch Line Companies	2,92,694	...	
Departmental and Judicial Deposits	78,84,67,093	...	
Advances	12,69,66,418	—1,45,88,382	
Suspense Accounts	2,94,35,673	1,65,98,594	
Miscellaneous	6,18,482	2,06,14,902	
Provincial Loans Fund	...	...	
Total	1,16,59,75,290	1,68,38,52,742	2,84,98,28,032
Railway Depreciation and Reserve Funds as per Railway Budget	...	...	...
Carried over	3,42,00,27,031	2,10,90,95,716	

* Sterling converted into Rupees at £ 1=Rs. 10.

Central Government, in India and in England—*contd.*

Revised Estimate, 1924-25.			Budget Estimate, 1925-26.		
India.	*England.	Total.	India.	*England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
88,56,04,000	30,81,93,000	1,19,37,97,000	93,11,03,000	27,99,61,000	1,21,10,64,000
11,44,71,000	...	11,44,71,000	9,33,20,000	...	9,33,20,000
1,00,00,75,000	30,81,93,000	1,30,82,68,000	1,02,44,23,000	27,99,61,000	1,30,43,84,000
16,000	...	16,000	27,000	...	27,000
1,64,98,000	...	1,64,98,000	1,98,02,000	15,51,000	2,13,53,000
1,32,26,000	4,74,000	1,37,00,000	1,51,17,000	3,83,000	1,55,00,000
5,35,00,000	7,50,00,000	12,85,00,000	16,34,08,000	10,09,25,000	26,43,33,000
...	...		...	1,39,23,000	
...	...		...	36,41,000	
...	...		...	48,77,000	
4,00,000	...		3,00,000	...	
3,00,000	...		3,00,000	...	
3,00,000	...		3,00,000	...	
5,00,000	...		2,06,000	...	
15,02,000	...		3,45,00,000	...	
8,15,000	...		...	...	
46,98,000	...		43,39,000	...	
83,42,000	...		57,36,000	...	
14,00,000	...		2,03,000	...	
7,000	...		...	...	
9,00,000	...		8,40,000	..	
...	...		...	...	
1,91,64,000	...	1,91,64,000	4,67,24,000	2,15,41,000	6,82,65,000
2,12,20,000	...		...	...	
49,65,00,000	...		49,65,00,000	...	
...	...		...	...	
51,77,20,000	...	51,77,20,000	49,65,00,000	...	49,65,00,000
30,000	...		30,000	...	
15,75,000	40,000		16,07,000	70,000	
1,46,00,000	...		1,56,00,000	...	
21,37,08,000	1,00,000		23,15,43,000	20,000	
22,99,13,000	1,40,000	23,00,53,000	24,87,80,000	90,000	24,88,70,000
13,59,21,000	...		13,49,60,000	...	
8,20,85,000	...		8,26,31,000	...	
1,26,36,000	...		97,21,000	...	
...	...		...	...	
...	79,03,74,000		...	45,09,67,000	
...	70,66,25,000		...	79,98,23,000	
21,87,000	...		4,93,000	...	
79,37,39,000	...		77,56,66,000	...	
17,74,80,000	7,34,000		16,28,09,000	10,03,000	
3,67,40,000	2,32,47,000		1,70,13,000	1,66,48,000	
...	2,50,51,000		...	47,06,000	
...	...		20,08,42,000	...	
1,24,07,88,000	1,54,61,31,000	2,78,69,19,000	1,38,41,35,000	1,27,31,47,000	2,65,72,82,000
8,25,00,000	...	8,25,00,000	9,50,00,000	...	9,50,00,000
3,17,34,00,000	1,92,99,38,000		3,49,39,16,000	1,67,75,98,000	

* Sterling converted into Rupees at £1=Rs. 10.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1923-24.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Brought forward .	3,42,00,27,031	2,10,90,95,716	
Loans and Advances by the Central Government—			
Advances to the Provincial Loans Fund .	...	...	...
Other loans and advances	44,39,340	...	44,39,340
Total .	44,39,340	...	44,39,340
Loans between Central and Provincial Governments	12,28,05,246	...	12,28,05,246
Remittances—			
Remittances within India—			
Inland Money Orders	84,93,47,495	...	
Other Local Remittances . . .	43,20,294	...	
Other Departmental Accounts . .	45,577	...	
Net Payments into Civil Treasuries by—			
Railways	17,49,17,959	...	
Posts and Telegraphs	3,86,25,724	...	
Net Issues from Civil Treasuries to—			
Marine	71,34,085	...	
Army and Military Engineering Services	43,51,46,069	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	2,42,14,490	...	
Sale of gold	2,00,00,000	...	
Other transactions	5,14,78,412	2,14,75,680	
Remittances from India for financing Home Treasury	23,14,16,640	...	
Transfers through the Paper Currency Reserve	5,86,86,721	13,99,94,801	
Total .	1,89,53,33,466	16,14,70,481	2,05,68,03,947
Balances of Provincial Governments . .	...	1,82,94,568	1,82,94,568
Total Disbursements .	5,44,26,05,083	2,28,88,60,765 (b)	
Closing Balance .	31,13,62,292	10,38,42,476	
GRAND TOTAL .	5,75,39,67,375	2,39,27,03,241	

* Sterling converted into Rupees at £1=Rs. 10.

(b) Of this amount, Rs. 36,584 represents the funds of the Gold Standard Reserve.

DELHI,
FINANCE DEPARTMENT.
The 28th March 1925.

M. F. GAUNTLETT,
Auditor General.

Central Government, in India and in England—*contd.*

Revised Estimate, 1924-25.			Budget Estimate, 1925-26.		
India.	England.*	Total.	India.	England.*	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3,17,34,00,000	1,92,99,38,000		3,49,39,16,000	1,67,75,98,000	
...	...	...	13,81,82,000	...	13,81,82,000
1,55,88,000	...	1,55,88,000	1,73,82,000	...	1,73,82,000
1,55,88,000	...	1,55,88,000	15,55,64,000	...	15,55,64,000
10,66,38,000	...	10,66,38,000	...	...	...
86,01,00,000	...		87,00,00,000	...	
10,00,000	...		9,59,000	...	
3,39,78,000	...		3,77,91,000	...	
32,98,66,000	...		21,86,25,000	...	
3,91,05,000	...		3,27,15,000	...	
38,79,000	...		49,95,000	...	
39,35,28,000	...		39,06,23,000	...	
1,63,10,000	...		1,70,00,000	...	
...	...		...	...	
1,74,94,000	1,34,09,000		2,14,88,000	76,95,000	
42,00,00,000	...		31,50,00,000	...	
...	6,00,00,000		...	...	
2,11,52,60,000	7,34,09,000	2,18,86,69,000	1,90,92,02,000	76,95,000	1,91,68,59,000
...	2,62,93,000	2,62,93,000	...	3,06,03,000	3,06,03,000
5,41,08,86,000	2,02,96,40,000		5,55,86,82,000	1,71,58,69,000	
24,26,92,292	(b) 11,86,63,476		13,13,48,292	(b) 5,79,01,476	
5,65,35,78,292	2,14,83,03,476		5,69,00,30,292	1,77,37,97,476	

* Sterling converted into Rupees at £1=Rs. 10.

(b) Of this amount, Rs. 9,414 represents the funds of the Gold Standard Reserve.

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

D.—Abstract Statement of the Receipts and Disbursements of the

REVENUE AND EXPENDITURE.		ACCOUNTS, 1923-24.			
		Revenue.	Expenditure.	Net Receipts.	Net Charges.
		Rs.	Rs.	Rs.	Rs.
Principal Heads of Revenue	Customs	39,69,64,296	71,35,688	38,98,28,608	
	Taxes on Income	18,23,55,516	62,67,424	17,60,88,092	
	Salt	10,01,50,870	1,36,11,936	8,65,38,884	
	Opium	4,24,81,654	2,58,79,559	1,66,02,095	
	Other heads	2,28,56,225	15,09,457	2,13,46,768	
	TOTAL	74,48,08,561	5,44,04,114	69,04,04,447	...
Forest and other Capital outlay charged to Revenue.	Capital outlay on Salt Works.	...	...	...	...
	Capital outlay on Security Printing Press.	...	...	...	...
Commercial Services	Irrigation	10,54,064	16,42,139	...	5,88,075
	Posts and Telegraphs	96,12,987	25,37,942	70,75,045	...
Debt Services	Interest	3,16,59,620	17,33,44,971	...	14,16,85,351
Civil Administration	Civil Administration	68,51,292	9,33,97,308	...	8,65,46,016
Currency and Mint	Currency	2,95,39,974	83,52,751	2,11,87,223	...
	Mint	17,34,017	15,54,647	1,79,370	...
Civil Works	Civil Works	37,05,245	1,70,31,590	...	1,33,26,345
Miscellaneous Civil Services	Famine Relief	...	5,002	...	5,002
	Superannuation	35,44,461	2,97,59,844	...	2,62,15,383
	Miscellaneous	45,89,360	68,88,051	...	22,98,691
	Other Heads	13,44,365	79,96,985	...	66,52,620
Military Services	Army — Effective	3,43,33,000	46,55,12,695	...	43,11,79,695
	Army — Non-effective	32,90,299	9,39,44,857	...	9,06,54,558
	Marine	24,73,367	96,54,425	...	71,81,058
	Military Eng. Services	80,59,731	4,13,19,783	...	3,32,60,052
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments		9,21,54,718	37,98,778	8,83,55,940	...
Extraordinary Items		2,59,65,851	3,40,96,207	...	81,30,356
	TOTAL	1,00,47,20,912	1,04,52,42,089	80,72,02,025	84,77,23,202
Railways (as per Railway Budget)		32,69,42,393	26,25,21,458	6,44,20,935	...
	GRAND TOTAL	1,33,16,63,305	1,30,77,63,547	87,16,22,960	84,77,23,202
	Surplus			2,38,99,758	
	Deficit			...	

Central Government, in India and in England

Revised Estimate, 1924-25.		Budget Estimate, 1925-26.	
Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Rs.	Rs.	Rs.	Rs.
43,97,82,000		45,50,71,000	
15,86,88,000		16,68,31,000	
6,47,35,000		5,58,63,000	
1,30,73,000		1,75,56,000	
1,65,59,000		1,61,74,000	
69,28,37,000	...	71,14,95,000	...
...	10,06,000	...	14,93,000
...	11,05,000	...	18,09,000
...	13,03,000	...	7,37,000
91,76,000	...	96,28,000	...
...	14,12,45,000	...	14,57,62,000
...	9,56,17,000	...	10,25,38,000
2,99,05,000	...	3,26,42,000	...
22,68,000	...	8,18,000	...
...	1,81,15,000	...	1,58,29,000
...	...	...	...
...	2,64,00,000	...	2,51,81,000
...	79,55,000	...	57,01,000
...	70,90,000	...	49,88,000
...	43,08,71,000	...	43,88,54,000
...	8,76,04,000	...	8,56,99,000
...	64,57,000	...	73,67,000
...	3,83,68,000	...	3,05,80,000
8,68,84,000	...	6,06,40,000	...
2,55,89,000	...	13,33,000	...
84,66,59,000	86,31,36,000	81,65,56,000	86,65,29,000
5,64,35,000	...	5,23,86,000	...
90,30,94,000	86,31,36,000	86,89,42,000	86,65,29,000
3,99,58,000		24,13,000	
...		...	

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England—*contd.*

	Revenue and Expenditure.	Accounts, 1923-24.		Revised Estimate, 1924-25.		Budget Estimate, 1925-26.	
		Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Surplus	2,38,99,758	...	3,99,58,000	...	24,13,000	...
	Deficit	...	...	...	...	...	...
Capital Account.	Irrigation, Posts and Telegraphs and other Capital not charged to Revenue :—						
	Construction of Irrigation Works	...	13,104	...	16,000	...	27,000
	Capital outlay on Posts and Telegraphs	...	75,21,560	...	1,64,08,000	...	2,13,53,000
	Initial expenditure on new Capital at Delhi	...	1,54,73,652	...	1,37,00,000	...	1,55,00,000
	Railway Capital not charged to Revenue—						
	As per Railway Budget	...	21,82,93,156	...	40,50,45,000	...	31,27,96,000
Debt, Deposits, Advances and Remittances.	Permanent Debt (net)	37,13,70,540	...	30,05,83,000	...	8,95,14,000	...
	Floating Debt (net)	...	19,46,70,000	...	2,12,20,000	...	...
	Unfunded Debt (net)	9,80,06,571	...	9,67,25,000	...	9,80,21,000	...
	Loans and Advances by Central Government (net)	...	3,24,930	...	1,17,01,000	...	14,79,30,000
	Loans between Central and Provincial Governments (net)	...	10,12,11,803	...	9,39,20,000	...	...
	Deposits and Advances. (net)	7,19,17,040	...	8,67,98,000	...	13,33,35,000	...
	Remittances (net)	...	70,67,140	1,02,57,000	...	...	9,65,000
	Balances of Provincial Governments (net)	3,67,86,092	...	...	2,60,80,000	31,82,000	...
Cash Balance.	Opening Balance	35,78,00,112	...	41,52,04,768	...	36,13,55,768	...
	Closing Balance	...	41,52,04,768	...	36,13,55,768	...	18,92,49,768
	Total	95,97,80,113	95,97,80,113	94,95,35,768	94,95,35,768	68,78,20,768	68,78,20,768

M. F. GAUNTLETT,
Auditor General.

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT :
The 28th March 1925.

Explanatory Memorandum by the Financial Secretary.

General Results.

The totals of revenue and expenditure charged to revenue, excluding all capital, debt and remittance transactions, for the last year, the current year and the next year are as follows :—

	Actuals, 1923-24.	Revised, 1924-25.	Budget, 1925-26.
Revenue	1,33,16,63,305	1,34,82,26,000	1,30,67,97,000*
Expenditure	1,30,77,63,547	1,30,82,68,000	1,30,43,84,000*
Surplus .	2,38,99,758	3,99,58,000	24,13,000*

2. The following table compares the Budget and Revised estimates of revenue and expenditure for 1923-24 with the actuals of the year.

	Revenue.	Expenditure.	Surplus.
Budget	1,34,90,43,000	1,34,09,57,000	80,86,000
Revised	1,31,96,04,000	1,29,89,97,000	2,06,07,000
Actuals	1,33,16,63,305	1,30,77,63,547	2,38,99,758

Actuals, 1923-24.

3. The actual surplus of the year does not differ considerably from the Revised; but two changes in accounting have contributed to this result. The first change is that the whole of the discount charges amounting to 82 lakhs on the 1923 Rupee loan, which it was intended originally to spread over a number of years, has been adjusted in the accounts of the year 1923-24. The second change is more important. Certain items of loans and advances to the Persian Government incurred before and during the Great War have hitherto been shown under Suspense in the accounts of the Government of India. As a rule, these advances were borne by the Government of India jointly with His Majesty's Government. From the accounts point of view it is open to objection to keep large amounts in suspense for an indefinite period without finally crediting or debiting them to revenue, and the practice of the British Treasury is to treat such outgoings at once as expenditure against the revenue of the year instead of keeping them in suspense. Following this example, these items have been written off against the revenue of 1923-24. The book adjustment does not, as has been pointed out in the Finance Member's speech, affect India's claim to recover from the Persian Government the full amount of these loans and advances, and negotiations are proceeding with them for repayment at an early date.

4. The main variation between the actual account figures and the Revised is a saving of 3·51 crores in Military expenditure as compared with Revised. Of this saving, about 66 lakhs occurred under English expenditure including exchange and was due to less expenditure on payments to surplus officers, on purchase of stores and on payments to the War Office. Of the savings in Indian expenditure the more important items are the following :—

	Lakhs.
(1) Sale proceeds of temporary war buildings and recoveries from the War Office	50
(2) Savings in Military Works expenditure	40
(3) Diminution of expenditure on account of shortage of troops .	38
(4) Savings in freight charges	29
(5) Savings in pay and allowances	54

* These figures have been shown as in the Budget, in round thousands of rupees—*vide* foot-note in Statement I of the Budget.

5. The variations in the other heads were on the whole of much less importance. There was a large increase under Salt (1,31 lakhs) on account of heavy advance payments received in March 1924 immediately on the reduction of duty; but this was counterbalanced by decreases under Customs and Taxes on Income. There were also savings in individual heads of Civil expenditure which though individually small, came to an appreciable amount in the aggregate.

Revised, 1924-25 and Budget, 1925-26.

6. The details of the estimates for 1924-25 and 1925-26 are explained in the following pages.

CUSTOMS.

(In lakhs of rupees.)

	Revenue (Receipts *less* Refunds.)	Expenditure.	Net Revenue.
1921-22, Actuals . . .	34,40·98	65·88	33,75·10
1922-23 „ . . .	41,34·65	70·62	40,64·03
1923-24 „ . . .	39,69·64	71·36	38,98·28
1924-25 Budget . . .	45,01·82	82·23	44,19·59
1924-25 Revised . . .	44,76·44	78·62	43,97·82
1925-26, Budget . . .	46,35·00	84·29	45,50·71

Revised, 1924-25.

7. The Revised estimate of Customs revenue in 1924-25 amounts to Rs. 44,76·44 lakhs or Rs. 25·38 lakhs less than the Budget estimate. Most of the tariff heads show an increase; the largest increases are under sugar (1,00 lakhs), cotton piece-goods (1,10 lakhs), excise duty on cotton manufactures (35 lakhs) and yarn (30 lakhs). The only heads which show an appreciable decrease in revenue are tobacco (27 lakhs), mineral oils (10 lakhs), and cutlery and hardware, etc. (13 lakhs).

8. The gross receipts are thus 2,72 lakhs more than the Budget. The fact that net receipts are 25 lakhs less than the Budget is mainly due to the refund of Customs duty of 2,80 lakhs to Railway Companies working State lines, the Privy Council having decided that stores imported by them came under the definition of Government stores which were, previous to the passing of the amendment to the Sea Customs Act, 1924 passed free of duty. Other refunds also show an increase of about 18 lakhs owing to the recent development of the re-export trade.

Budget, 1925-26.

9. The Budget estimate of gross Customs revenue is 1,21 lakhs less than last year. The receipts under certain of the tariff heads have been abnormally high this year. This has been taken into account in framing the estimates for 1925-26. The most important decreases are under import duty on sugar and cotton piecegoods the receipts of which have been put at 45 and 40 lakhs less respectively. A considerable decrease is also anticipated in the yield from protective duties. There is reason to believe that the market is fully stocked with iron and steel, and, moreover, as protection becomes increasingly effective, the yield from these duties will naturally tend to decrease progressively. The estimate has therefore been put at 1,80 lakhs. Most of the other heads are expected to show a small increase.

The details are as follows :—

REVENUE. SEA CUSTOMS. IMPORTS	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25. Budget.	1924-25. Revised.	Budget, 1925-26.
Non-protective Special Duties.	R	R	R	R	R	R
1. Liquors—						
(a) Ale, Beer, Porter, Cider and other fermented Liquors	11,44,000	13,49,000	14,08,205	14,40,000	16,50,000	16,50,000
(b) Spirits and Liqueurs	1,91,71,000	2,10,19,000	2,00,87,898	2,22,00,000	2,20,00,000	2,20,00,000
(c) Wines	12,58,000	10,78,000	11,22,709	12,00,000	13,00,000	14,00,000
2. Sugar, all sorts	6,50,69,000	4,40,95,000	3,32,23,356	4,55,00,000	5,55,00,000	5,10,00,000
3. Tobacco	1,01,36,000	1,54,76,000	1,67,62,852	1,75,00,000	1,48,00,000	1,36,00,000
4. Coal, coke and patent fuel	7,59,000	4,80,000	3,02,436	3,00,000	2,50,000	3,00,000
5. Mineral oils	80,97,000	1,10,89,000	1,27,78,444	1,45,00,000	1,35,00,000	1,40,00,000
6. Arms, Ammunition and Military Stores	7,51,000	8,27,000	8,20,102	8,40,000	8,00,000	9,00,000
7. Opium	2,000	2,000	2,505	3,000	3,000	...
8. Cotton yarn and thread	...	48,86,000	42,74,318	48,00,000	53,00,000	53,00,000
9. Cotton piece-goods	4,66,61,000	6,39,03,000	6,16,12,209	6,60,00,000	7,70,00,000	7,30,00,000
10. Matches	1,03,84,000	1,53,68,000	1,38,01,105	1,67,00,000		
11. Match Splints and Veneers	...	...	...	...	1,30,00,000	1,20,00,000
Duty at 2½ per cent.						
12. Machinery	1,15,95,000	63,33,000	55,82,634	67,00,000	41,00,000	45,00,000
13. Other articles	2,66,000	2,09,000	1,54,159	2,15,000	1,20,000	2,00,000
Duty at 10 per cent.						
14. Metals—Iron and Steel	67,75,000	1,84,08,000	1,72,10,679	1,80,00,000	85,00,000	60,00,000
15. Railway plant and rolling stock	53,32,000	1,07,02,000	62,55,778	1,30,00,000	47,00,000	55,00,000
16. Other articles	1,79,000	2,89,000	6,52,684	4,62,000	2,07,000	3,00,000
Duty at 15 per cent.						
17. Articles of Food and Drink (excluding sugar and vinegar)	83,00,000	1,22,54,000	1,27,44,091	1,40,00,000	1,45,00,000	1,40,00,000
18. Raw materials and articles mainly unmanufactured	42,15,000	74,71,000	65,77,579	71,35,000	64,62,000	66,00,000
19. Articles wholly or mainly manufactured—						
(a) Cutlery, hardware, implements and instruments	1,27,24,000	1,33,40,000	1,13,50,111	1,35,00,000	1,22,00,000	1,32,00,000
(b) Metals other than Iron and Steel	61,55,000	1,07,34,000	95,58,142	1,00,00,000	1,15,00,000	1,25,00,000
(c) Yarns and textile fabrics (other than cotton manufactures)	55,03,000	75,88,000	1,03,87,107	1,20,00,000	1,50,00,000	1,40,00,000
(d) All other articles wholly or mainly manufactured	2,71,06,000	3,78,69,000	3,76,32,288	4,00,00,000	4,10,00,000	4,20,00,000
20. Miscellaneous	70,75,000	52,74,000	53,07,068	60,00,000	58,00,000	60,00,000
Carried over	25,26,57,000	31,00,29,000	28,96,08,459	33,19,95,000	32,91,92,000	31,99,50,000

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25. Budget.	1924-25. Revised.	Budget, 1925-26.
	R	R	R	R	R	R
SEA CUSTOMS—*contd.*						
IMPORTS - *contd.*						
Brought forward .	25,86,57,000	31,00,29,000	28,96,08,459	33,19,95,000	32,91,92,000	31,19,50,000
Duty at 30 per cent.						
21. Motor cars and cycles .	51,50,000	56,08,000	74,13,060	80,00,000	80,00,000	80,00,000
22. Silk piece-goods and other manufactures of silk . .	51,60,000	80,62,000	81,54,421	80,00,000	90,00,000	90,00,000
23. Pneumatic rubber tyres and tubes . . .	21,85,000	32,42,000	29,32,782	33,00,000	28,00,000	30,00,000
24. Other articles . .	58,67,000	96,82,000	96,71,975	1,05,00,000	1,00,00,000	1,05,00,000
Protective Special Duties.						
25. Coal tubs . . .						
26. Iron and Steel . .	...	...	...	...	2,25,00,000	1,80,00,000
27. Railway track material.						
Government stores.						
28. Railway plant and rolling stock imported by State Railways . .	...	...	...	53,50,000	65,00,000	85,00,000
29. Other stores . . .						
TOTAL IMPORTS .	27,70,19,000	33,66,23,000	31,77,80,697	36,71,45,000	38,79,92,000	37,69,50,000
30. Export duties—						
(*a*) Hides and skins, raw . .	51,42,000	42,60,000	25,33,111	25,00,000	25,00,000	25,00,000
(*b*) Jute (raw and manufactured) .	2,71,99,000	3,29,25,000	3,57,80,056	3,60,00,000	3,75,00,000	3,75,00,000
(*c*) Rice . . .	80,45,000	1,08,06,000	1,18,21,953	1,11,93,000	1,20,00,000	1,15,00,000
(*d*) Tea . . .	46,26,000	44,41,000	50,06,089	49,04,000	50,00,000	50,00,000
(*e*) Government Stores	...	...	...	...	8,000	...
31. Sea Customs—Miscellaneous . .	12,67,000	11,60,000	11,10,286	12,00,000	13,18,000	14,00,000
32. Land Customs . .	14,60,000	20,76,000	18,67,010	23,00,000	22,00,000	24,00,000
33. Excise Duty on Cotton manufactures . .	2,19,17,000	1,87,34,000	1,56,51,902	1,75,00,000	2,10,00,000	2,15,00,000
34. Excise Duty on Motor Spirit . .	61,10,000	64,69,000	65,14,424	68,00,000	75,00,000	60,00,000
35. Excise Duty on Kerosene . . .	...	92,32,000	95,15,917	98,00,000	98,35,000	1,00,00,000
36. Warehouse and wharf rents and Miscellaneous . . .	6,46,000	4,79,000	5,29,335	8,38,000	5,54,000	5,50,000
TOTAL RECEIPTS . .	35,36,31,000	42,72,05,000	40,81,10,790	46,01,80,000	48,74,07,000	47,53,00,000
Deduct - Refunds .	*95,33,000*	*1,37,40,000*	*1,11,46,494*	*99,98,000*	*3,97,63,000*	*1,18,00,000*
TOTAL REVENUE .	34,40,98,000	41,34,65,000	39,69,64,296	45,01,82,000	44,76,44,000	46,35,00,000
EXPENDITURE.						
India	64,49,533	69,30,458	69,47,200	80,37,000	76,36,000	81,61,000
England . . .	91,196	86,613	1,29,010	1,30,000	1,65,000	2,01,000
Exchange . . .	46,903	44,929	59,478	56,000	61,000	67,000
TOTAL .	65,87,632	70,62,000	71,35,688	82,23,000	78,62,000	84,29,000

TAXES ON INCOME.

(In lakhs of rupees.)

	Revenue (Receipts *less* refunds and Provincial Government's share of Income-tax revenue.)	Expenditure.	Net Revenue.
1921-22, Actuals . . .	18,74·13	22·51	18,51·62
1922-23 „ . . .	17,99·41	44·56	17,54·85
1923-24 „ . .	18,23·56	62·67	17,60·89
1924-25, Budget . . .	18,21·97	65·19	17,56·78
1924-25, Revised . . .	16,47·26	60·38	15,85·88
1925-26, Budget . .	17,34·87	66·56	16,68·31

Arrears.

10. The gross revenue collected in the year 1923-24 included a large amount of arrears of previous years. The arrears outstanding at the beginning of the year were 3,43 lakhs. By the end of the year these had been reduced to 1,97 lakhs. It is expected that the arrears outstanding at the end of 1924-25 will be somewhat less, but the increase in actual collections due to this cause cannot be as great as in the preceding year.

Budget, 1925-26.

11. The Budget estimate for 1925-26 has been put 87 lakhs higher than Revised after taking into account the fact that the year 1924-25 on the income in which the assessments for 1925-26 are based, has been on the whole a more prosperous year for trade than the previous one.

12. The expenditure has been more or less steady since 1923-24. It will be noticed that as the direct expenditure expands, the payments to Provincial Governments are decreasing. The details of revenue and expenditure are given in the statement below :—

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25. Budget.	1924-25. Revised.	Budget, 1925-26.
REVENUE.						
EXCESS PROFITS DUTY.	R	R	R	R	R	R
1. N.-W. Frontier .	30,755	...	...	...	...	...
2. Madras . . .	8,24,387	3,171	...	...	1,000	...
3. Bombay . . .	11,21,569	99,876	...	...	1,000	...
4. Bengal . . .	5,60,200	46,986	4,959	...	3,000	...
5. United Provinces .	28,323	...	628	...	4,000	...
6. Punjab . . .	51,453	...	13,669	...	...	...
7. Bihar and Orissa . .	13,881	...	...	...	...	..
TOTAL .	26,30,563	1,50,033	19,256	...	9,000	...
SUPER-TAX.						
1. India . . .	2,64,293	15,056	2,62,266	1,90,000	2,25,000	2,26,000
2. N.-W. Frontier . .	96,959	24,486	39,580	45,000	55,000	26,000
3. Madras . . .	54,87,980	34,43,753	32,79,420	27,00,000	21,00,000	27,00,000
4. Bombay . . .	3,80,66,807	3,58,31,830	2,03,90,259	1,39,58,000	1,30,63,000	1,35,01,000
5. Bengal . . .	3,03,34,671	1,90,62,584	2,64,94,625	2,72,26,000	2,25,99,000	2,48,00,000
6. United Provinces .	38,64,128	27,78,946	22,49,356	16,61,000	16,00,000	20,00,000
7. Punjab . . .	10,06,091	10,24,217	9,77,079	8,12,000	9,16,000	8,56,000
8. Burma . . .	56,21,222	59,08,474	51,40,545	70,46,000	61,53,000	55,00,000
9. Bihar and Orissa .	10,63,880	16,49,096	9,85,225	21,51,000	18,67,000	12,00,000
10. Central Provinces .	18,42,108	25,70,834	17,83,793	12,85,000	10,85,000	13,70,000
11. Assam	13,713	6,037	1,11,661	80,000	2,30,000	1,50,000
TOTAL .	8,76,61,852	7,23,15,293	6,17,15,809	5,71,54,000	4,98,63,000	5,23,29,000

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
				Budget.	Revised.	
	R	R	R	R	R	R
INCOME-TAX.						
1. India General—						
Civil	25,57,762	31,22,107	31,68,763	31,28,000	30,60,000	30,64,000
Non-Civil Departments	62,43,377	62,01,412	55,00,372	58,76,000	53,22,000	57,19,000
2. Delhi	13,60,514	8,27,430	8,26,821	8,00,000	9,60,000	9,60,000
3. Baluchistan. . .	48,153	85,617	95,395	83,000	1,08,000	1,03,000
4. North-West Frontier .	5,22,787	9,86,860	11,46,546	11,79,000	9,12,000	9,14,000
5. Madras	1,51,91,114	1,32,11,878	1,57,17,260	1,47,00,000	1,30,00,000	1,35,00,000
6. Bombay . . .	5,59,19,576	5,81,71,938	4,08,79,250	3,11,81,000	3,17,38,000	3,18,83,000
7. Bengal . . .	4,36,23,020	3,19,68,701	3,62,24,910	4,13,03,000	3,60,97,000	3,78,21,000
8. United Provinces .	90,67,961	84,47,341	70,73,067	71,53,000	70,79,000	77,78,000
9. Punjab . . .	50,31,329	76,36,881	77,19,448	71,12,000	67,62,000	77,05,000
10. Burma. . . .	1,29,71,221	1,23,74,691	1,26,95,995	1,39,86,000	1,41,24,000	1,45,71,000
11. Bihar and Orissa. .	32,48,551	45,24,977	39,38,954	46,33,000	38,96,000	38,88,000
12. Central Provinces .	41,06,582	45,52,645	46,84,607	38,10,000	40,88,000	40,10,000
13. Assam	8,86,404	9,81,540	13,84,493	15,00,000	18,15,000	18,85,000
14. Coorg	21,000	19,000	19,000	22,000	23,000	23,000
TOTAL .	16,08,59,371	15,31,13,018	14,10,79,881	13,64,66,000	12,89,84,000	13,33,24,000
Total Receipts from Taxes on Income . . .	25,11,51,791	22,55,78,344	20,28,12,946	19,36,20,000	17,88,56,000	18,56,53,000
Deduct—Refunds—						
India	*2,93,96,968*	*4,41,83,859*	*1,79,00,588*	*99,62,000*	*1,17,50,000*	*90,82,000*
England . . .	...	...	...	...	*2,00,000*	*4,00,000*
Exchange . . .	...	...	...	...	*74,000*	*1,34,000*
	22,17,54,823	18,13,94,485	18,49,12,358	18,36,58,000	16,68,52,000	17,60,37,000
Deduct—Share of Provincial Governments in Income-tax revenue under the Devolution Rules .	(a) *3,43,41,399*	*14,53,335*	*25,56,842*	*14,61,000*	*21,26,000*	*25,50,000*
Total Revenue of the Central Government . . .	18,74,13,424	17,99,41,150	18,23,55,516	18,21,97,000	16,47,26,000	17,34,87,000

(a) This is the amount which, under rule 15 of the Devolution Rules as it was in force in 1921-22, was credited to Provincial Governments as their share of Income-tax revenue; they made, however, assignments to the Central Government amounting to R3,14,80,933 in consideration of the allocation of Income-tax revenue; the net revenue which the Provincial Governments received in that year on account of Income-tax thus amounted to R28,60,466

Expenditure.	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
				Budget.	Revised.	
	R	R	R	R	R	R
1. India General . .	51,467	6,81,252	1,01,996	43,000	54,000	66,000
2. Delhi		15,094	17,580	...	...	...
3. Baluchistan . .	...	6,202	10,420	13,000	11,000	14,000
4. North-West Frontier .	22,511	53,004	57,437	60,000	50,000	59,000
5. Madras . . .	3,30,627	4,77,082	15,78,081	10,03,000	10,15,000	9,45,000
6. Bombay . . .	4,97,945	8,46,593	15,84,185	17,31,000	13,50,000	16,85,000
7. Bengal . . .	2,87,409	5,21,789	6,59,683	9,29,000	8,04,000	10,46,000
8. United Provinces .	3,63,044	5,61,572	5,76,155	6,97,000	5,83,000	6,54,000
9. Punjab . . .	3,04,785	4,77,579	4,91,733	5,55,000	5,22,000	5,56,000
10. Burma . . .	1,31,931	2,19,494	4,87,248	6,58,000	6,33,000	6,62,000
11. Bihar and Orissa .	78,269	2,20,719	2,33,977	2,93,000	2,53,000	3,09,000
12. Central Provinces .	1,53,508	3,00,938	3,28,133	3,90,000	3,69,000	3,81,000
13. Assam	5,327	13,510	99,810	90,000	2,72,000	1,62,000
14. Coorg	...	...	...	...	...	1,000
Total .	22,26,823	43,94,778	62,26,438	64,53,000	59,16,000	65,40,000
England	15,947	40,095	28,031	46,000	89,000	87,000
Exchange . . .	8,202	21,263	12,955	20,000	33,000	29,000
Total Expenditure R	22,50,972	44,56,136	62,67,424	65,19,000	60,38,000	66,56,000
Distributed as follows—						
Payments to Provincial Governments . .	...	6,37,071	19,54,923	8,07,000	9,88,000	5,61,000
Direct expenditure of Central Government .	22,50,972	38,19,560	43,12,501	57,12,000	50,50,000	60,95,000

13. The following table shows the distribution by Provinces of the net revenue of the Central Government from Super-tax and Income-tax after deducting refunds and the share payable to Provincial Governments under the Devolution Rules :—

(In lakhs of rupees.)

	Actuals, 1923-24.	Budget, 1924-25.	Revised, 1924-25.	Budget, 1925-26.
	R	R	R	R
Madras	1,60	1,66	1,41	1,52
Bombay	5,34	4,35	4,99	4,27
Bengal	6,03	6,50	5,74	6,11
United Provinces	89	84	81	92
Punjab	72	72	64	77
Burma	1,48	1,82	1,67	1,65
Bihar and Orissa	45	62	49	43
Central Provinces	55	48	47	51
Assam	10	12	15	14
Minor Administrations and Non-Civil Departments	1,08	1,11	1,03	1,08
England (including Exchange)	...	...	—3	—5
TOTAL	18,24	18,22	16,47	17,35

SALT.

(In lakhs of rupees.)

	Revenue (Receipts *less* Refunds.)	Expenditure.	Net Revenue.
1921-22, Actuals	6,34·38	1,56·49	4,77·89
1922-23 „	6,82·46	1,51·36	5,31·10
1923-24 „	10,01·51	1,36·12	8,65·39
1924-25 { Budget	9,04·62	1,45·35	7,59·27
1924-25 { Revised	7,73·78	1,36·49	6,37·29
1925-26, Budget	6,95·00	1,51·30	5,43·70

Revenue.

14. It was estimated last year that as a result of the reduction of duty from Rs. 2-8-0 to Rs. 1-4-0 a maund with effect from 1st March 1924, the gross collections (deducting refunds) would be 8,70 lakhs in 1923-24 and 9,05 lakhs in 1924-25. It was expected that a rapid replenishment of stocks would follow the reduction, and that there would consequently be increased receipts in 1924-25. The reduction of duty had however a much more rapid effect than expected and the rush of traders to replenish stocks took place in March when advance indents were received to an extraordinary extent. The collections in March alone amounted to 2,56 lakhs. Thus part of the increased revenue expected in 1924-25 accrued in the previous financial year. On the other hand, the amount of refunds in 1924-25 has been much heavier than usual. The actual receipts (less refunds) of 1923-24 are 1,31 lakhs higher than the Revised estimate, and the Revised estimate of revenue for 1924-25 is correspondingly lower than the Budget.

15. For 1925-26, there are no disturbing factors at work, so far as can be seen at present, as the rate of duty remains the same. The consumption is estimated to be normal (roughly five crores of maunds) and the receipts (less refunds) 6,95 lakhs.

Expenditure.

16. A commercialised system of accounting has been introduced since 1924-25 in the Northern India Salt Revenue Department, according to which a depreciation fund to provide for renewals and replacements has been started and interest on the capital outlay is added to the expenditure. Outlay of a capital nature has now been separated from other expenditure and is shown under a separate major head "3-A—Capital Outlay on Salt Works charged to revenue." The amount provided is 10 lakhs in 1924-25 and 15 lakhs in 1925-26. Details of revenue and expenditure are given below :—

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25. Budget.	1924-25. Revised.	Budget, 1925-26.
REVENUE.	R	R	R	R	R	R
Northern India (*a*) . .	1,89,25,023	2,06,11,339	3,24,43,977	2,52,11,000	1,64,50,000	1,79,71,000
Madras (*a*) . . .	1,89,10,320	1,55,77,764	2,14,16,644	2,21,27,000	2,01,19,000	1,48,10,000
Bombay (*a*) . . .	1,25,87,566	1,52,80,467	2,28,97,704	1,77,16,000	1,77,16,000	1,64,55,000
Bengal (*b*)	1,56,42,365	1,84,96,244	1,83,03,450	2,30,49,000	2,44,08,000	1,77,40,000
Burma (*b*)	33,52,444	31,80,258	61,75,952	31,10,000	34,37,000	34,27,000
Bihar and Orissa . .	2,082	520	278	1,000	1,000	1,000
Assam	...	...	...	...	1,000	1,000
TOTAL RECEIPTS .	6,44,19,800	7,31,46,592	10,12,38,005	9,12,14,000	8,21,32,000	7,04,05,000
Deduct—Refunds .	*9,81,952*	*49,00,480*	*10,87,135*	*7,52,000*	*47,54,000*	*9,05,000*
TOTAL REVENUE .	6,34,37,848	6,82,46,112	10,01,50,870	9,04,62,000	7,73,78,000	6,95,00,000
EXPENDITURE.						
Cost of salt purchased by Government . . .	21,16,621	17,76,320	21,27,936	17,84,000	15,66,000	16,50,000
Assignments and compensations	36,84,980	40,09,267	37,53,481	37,20,000	36,48,000	38,35,000
Other charges . . .	97,34,977	92,62,067	76,54,379	89,42,000	73,29,000	80,56,000
Capital outlay on salt works	...	...	...		10,06,000	14,93,000
Total India .	1,55,36,588	1,50,47,654	1,35,35,796	1,44,46,000	1,35,49,000	1,50,34,000
England	74,296	57,471	52,399	62,000	73,000	72,000
Exchange	38,212	31,022	23,791	27,000	27,000	24,000
TOTAL .	1,56,49,096	1,51,36,147	1,36,11,986	1,45,35,000	1,36,49,000	1,51,30,000

(*a*) Chiefly excise on local manufacture. | (*b*) Chiefly duty on imported salt.

OPIUM.

(In lakhs of rupees.)

	Revenue (Receipts *less* Refunds.)	Expenditure.	Net revenue.
1921-22, Actuals	3,07·25	1,80·05	1,27·20
1922-23, Actuals	3,78·92	1,86·61	1,92·31
1923-24, Actuals	4,24·82	2,58·80	1,66·02
1924-25 Budget	4,33·60	2,09·08	2,24·52
1924-25 Revised	3,68·30	2,37·57	1,30·73
1925-26, Budget.	3,55·85	1,80·29	1,75·56

Revenue.

17. The revenue under this head is derived partly from sales to foreign countries and partly from excise opium sold to Provincial Governments for internal consumption. Of the opium sold to foreign countries which is called 'provision opium' much the greater part is taken by certain foreign Governments which have concluded agreements with the Government of India for direct purchases for a definite period. A smaller part is sold by auction in Calcutta and bought by traders for export to foreign countries whose Governments have not made arrangements for direct purchase from the Government of India. In no case, however, are exports permitted without an import certificate by the Government of the country of import as prescribed by the League of Nations. The total number of chests offered for sale by auction in 1924-25 and 1925-26 is 3,000 chests each. This is only a maximum, as the Government fix before the beginning of the year the amount to be sold and undertake not to sell more. The total number of chests sold in the financial year 1924-25 is 1,860 only.

18. Excise opium is supplied to Provincial Governments from the Opium Factory at Ghazipur according to their indents. Hitherto the cost was being recovered by means of a book adjustment at the time of sale, when the cost price of the opium to Provincial Governments was credited to Central revenues and the excise duty to Provincial revenues. The accounts procedure has been changed from 1925-26, in consultation with the Auditor General, and from the 1st April 1925, the Provincial Governments will pay for the opium when it is supplied to them and will also take over on payment all stocks in treasuries on that date. This change of procedure has resulted in the Excise opium revenue for the next year being abnormally increased by about 20 lakhs.

Expenditure.

19. The Revised estimate exceeds Budget by 28½ lakhs on account of the amount provided for payments to cultivators in the United Provinces having proved insufficient owing to the crop having been much better than anticipated. In 1925-26, the expenditure is expected to be 57 lakhs less. The reduction is due to partly to restriction in the area cultivated and partly to the reduction in the price paid to cultivators from Rs. 15 to Rs. 13 per seer.

20. The details of revenue and expenditure are given below :—

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25. Budget.	1924-25. Revised.	Budget, 1925-26.
	R	R	R	R	R	R
REVENUE.						
Sale of provision and medical opium	2,36,83,908	2,93,09,450	3,17,36,741	3,29,46,000	2,63,66,000	2,34,09,000
Excise opium and other revenue	70,41,284	85,83,042	1,07,45,385	1,04,15,000	1,05,14,000	1,21,76,000
TOTAL RECEIPTS	3,07,25,192	3,78,92,492	4,24,82,126	4,33,61,000	3,68,80,000	3,55,85,000
Deduct—Refunds	*394*	*424*	*472*	*1,000*	*50,000*	...
TOTAL REVENUE	3,07,24,798	3,78,92,069	4,24,81,654	4,33,60,000	3,68,30,000	3,55,85,000
EXPENDITURE.						
Purchase of Opium (including payments to cultivators)	1,61,14,979	1,67,34,623	2,39,12,033	1,89,30,000	2,16,30,000	1,58,74,000
Other Charges	18,10,228	18,67,280	18,97,195	18,71,000	20,38,000	20,80,000
TOTAL INDIA	1,79,25,207	1,86,01,903	2,58,09,228	2,08,01,000	2,36,68,000	1,79,54,000
England	52,605	38,462	47,722	75,000	65,000	56,000
Exchange	27,055	20,278	22,609	32,000	24,000	19,000
TOTAL	1,80,04,867	1,86,60,643	2,58,79,559	2,09,08,000	2,37,57,000	1,80,29,000

OTHER PRINCIPAL HEADS OF REVENUE AND DIRECT DEMANDS ON THE REVENUES.

(In lakhs of rupees.)

	Revenue.	Expenditure.	Net revenue.
1921-22, Actuals	2,20·17	1,02·20	1,17·97
1922-23 „	2,34·00	68·90	1,65·10
1923-24 „	2,28·56	15·10	2,13·46
1924-25 Budget	2,22·32	52·27	1,70·05
1924-25 Revised	2,08·21	53·67	1,54·54
1925-26, Budget	2,23·14	79·40	1,43·74

21. These comprise the following heads—Land Revenue, Excise, Stamps (including Capital Outlay), Forest, Registration and Tributes from Indian States.

22. The revenue is fairly constant. The decrease in Revised is explained mainly by the fact that the North Andamans New Mill was not in operation for six months in the year.

23. The increase in expenditure in Budget is due to larger provision for development of forests in the Andamans and to the expenditure on the Security Printing Press at Nasik. The expenditure on the last (including expenditure of a capital nature) is expected to be 11 lakhs in 1924-25 and 33 lakhs in 1925-26.

IRRIGATION.

(In lakhs of rupees.)

	Revenue (Receipts *less* Working Expenses).	Expenditure charged to Revenue (including interest on capital outlay).	Net expenditure charged to Revenue.	Capital outlay charged to Revenue.	Capital outlay not charged to Revenue.
1921-22, Actuals .	5·94	13·74	7·80	·74	1·18
1922-23, „ .	10·91	13·45	2·54	·30	2·25
1923-24, „ .	10·54	15·17	4·63	1·25	·13
1924-25, Budget	12·47	21·64	9·17	1·21	...
1924-25, Revised	8·91	20·78	11·87	1·16	·16
1925-26, Budget .	10·42	15·89	5 47	1·90	·27

24. The increase in 1924-25 under Revenue Expenditure is due to works connected with the erosion of the river Indus at Dera Ismail Khan.

POSTS AND TELEGRAPHS.

(In lakhs of rupees.)

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25. Budget.	1924-25. Revised.	Budget, 1925-26.
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
GROSS RECEIPTS .	9,05·92	9,67·03	9,90·72	10,14·51	10,06·87	10,41·32
WORKING EXPENSES—						
India	8,61·78	8,55·58	8,81·96	8,99·25	9,05·72	9,64·28
England . . .	1·81	2·57	16·37	14·18	1,2·01	8·78
Exchange . . .	·93	1·37	7·15	6·12	4·46	2·91
TOTAL .	8,64·52	8,59·52	9,05·48	9,19·50	9,22·19	9,75·92
NET RECEIPTS .	41·40	1,07·51	85·24	95·04	84·68	65·40
EXPENDITURE CHARGED TO REVENUE.						
Interest . . .	56·81	59·16	63·89	71·00	70·75	66·00
NET REVENUE .	—15·41	48·35	21·35	24·04	13·93	—·60

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
				Budget.	Revised.	
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
GROSS RECEIPTS—						
India . . .	27·63	22·24	17·07	34·25	28·10	33·10
England . .	14·49	15·72	16·69	8·20	8·20	5·40
Exchange . . .	6·99	8·15	7·66	3·55	3·04	1·80
TOTAL .	49·11	46·11	41·42	46·00	39·34	40·30
WORKING EXPENSES—						
India . . .	33·47	30·32	29·29	32·65	31·83	36·66
England . . .	·32	·66	·85	·68	·77	·70
Exchange . . .	·19	·34	·40	·30	·28	·23
TOTAL .	33·98	31·32	30·54	33·63	32·88	37·59
NET RECEIPTS .	15·13	14·79	10·88	12·37	6·46	2·71
EXPENDITURE CHARGED TO REVENUE.						
Interest . . .	...	...	...	...	...	3·66
NET REVENUE. .	15·13	14·79	10·88	12·37	6·46	—·95
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
CAPITAL OUTLAY CHARGED TO REVENUE—						
India . . .	—36·50	—36·74	—50·51	—1,12·81	—92·30	—95·41
England . .	98·66	38·15	12·12	17·70	11·20	...
Exchange . .	50·34	20·37	5·54	7·66	4·16	...
TOTAL .	1,12·50	21·78	—32·85	—87·45	—76·94	—95·41
CAPITAL OUTLAY NOT CHARGED TO REVENUE—						
India . . .	81·62	65·62	75·21	1,73·95	1,64·98	1,93·68
England . .	...	...	...	...	...	14·01
Exchange . .	...	...	...	...	...	4·67
TOTAL .	81·62	65·62	75·21	1,73·95	1,64·98	2,12·36
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
CAPITAL OUTLAY CHARGED TO REVENUE—						
India . . .	—6·43	—5·87	—4 29	—3·92	—4·69	—4·73
England . .	2·07	1·26	—·99	6·53	7·48	1·73
Exchange . .	1·05	65	—·38	2·84	2·78	·58
TOTAL .	—3·31	—3·96	—5·66	5·45	5·57	—2·42
CAPITAL OUTLAY NOT CHARGED TO REVENUE—						
India . . .	...	...	...	...	...	—·83
England . .	...	...	...	...	...	1·50
Exchange . .	...	...	...	...	...	·50
TOTAL .	...	...	...	...	...	1·17

INDIAN POSTAL AND TELEGRAPH DEPARTMENT.

Gross receipts.

25. The estimated amount of gross receipts in Revised is 8 lakhs less than the amount in the original Budget estimate. This decrease is only apparent, as, in the Budget, 19 lakhs were taken as the amount payable to the Provincial Governments as their share of the revenue from unified stamps whereas, in Revised, 42 lakhs have been so included. The question of increasing the assignment to Provincial Governments has been under consideration for some time and it has recently been decided to give them additional assignments based on the growth in the revenue from General Stamps since 1906. It has been roughly estimated that the increase will be about 23 lakhs. Excluding this increase in the assignment, the gross receipts are about 15 lakhs better, as a result partly of trade recovery and partly of the enhancement of charges for various services, *e.g.*, charge for redirection of parcels and increase in insurance.

Working expenses.

26. The increase of about 3 lakhs in Revised as compared with the Budget of the current year is explained chiefly by the fact that the pensionary charges are now expected to be 5 lakhs more. In the Budget for 1925-26 the working expenses show an increase of 54 lakhs over the Revised estimate for the current year. Of this increase, 15 lakhs are due to pensionary charges being estimated on a liability basis and about 15 lakhs more on account of the fact that the Department has to make a specific provision for a depreciation fund and that the amount provided on a theoretical basis worked out on a consideration of the life of existing assets is more than the amount spent in the current year on renewals and replacements. The rest is due to some new items of expenditure (6 lakhs) approved by the Standing Finance Committee and to the ordinary annual increase in establishment charges due partly to further increments accruing in the case of clerks on a time scale of pay.

Interest on debt.

27. In the Budget and Revised estimates for the current year interest has been taken on the block capital value of the assets as in the Finance and Revenue Accounts. In the Budget for 1925-26 interest is based on the capital outlay after allowance has been made for depreciation.

Capital outlay charged to revenue.

28. The minus figures under this head are due to the fact that the value of stores issued from stock which is taken as a deduction from the debits under this head, has been for some years, greater than the outlay on fresh stores and on post office buildings, the expenditure on which is debited to this head. The stores issued from stock during the current year were, owing to the postponement of certain capital works, less than anticipated, and the credits to this head are therefore less. The system of keeping stores in a suspense account under revenue which is responsible for these fluctuations in expenditure is now being abandoned and from 1926-27 onwards, there will be no minus entries under this head. During 1925-26, however, the value of the stores in stock on the 1st April 1925 will, in the course of the year, be credited to revenue as they are issued, fresh purchases being taken to capital. This accounts for the fact that the credits in the next year are more than in the current year, in spite of increased expenditure on postal buildings.

Capital outlay not charged to revenue.

29. The decrease in Revised is due to the postponement of certain capital works already referred to. The increase in Budget is partly due to the change in the system of accounting for stores and also to the fact that in the first few years when the depreciation fund will be slowly built up, all renewals and replacements will be allowed to be met out of capital.

INDO-EUROPEAN TELEGRAPH DEPARTMENT.

Gross Receipts.

30. The Revised estimate for the current year is about 6 lakhs less than the Budget estimate which was based on inaccurate data.

Working expenses.

31. The increase in Budget 1925-26 as compared with Revised 1924-25 is due partly to the increase in pensionary charges as a result of the introduction of the new system of accounting and partly to payment of arrears of rental of the Central Persia Telegraph line (1·87 lakhs).

Interest on Debt.

32. The provision in Budget represents interest on the capital assets of the department after allowing for depreciation.

Capital outlay charged to revenue.

33. The difference between Revised 1924-25 and Budget 1925-26 is due to the fact that payments on account of the new cable ship are £63,000 and £12,000 in Revised and Budget respectively.

Capital outlay not charged to revenue.

34. As in the Indian Postal and Telegraph department the debits for the purchases of new stores will be taken to "56—Capital" with effect from 1925-26.

INTEREST RECEIPTS.

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25. Budget.	1924-25. Revised.	Budget, 1925-26.
INDIA.	R	R	R	R	R	R
1. Interest on loans and advances by the Central Government	35,21,554	35,55,304	34,02,021	34,07,000	37,79,000	44,22,000
2. Interest on overdrawn Capital of Railway Companies in India	37,107	54,490	76,047	38,000	38,000	38,000
3. Interest on advances to Railway Companies charged to Capital	4,51,974	8,32,283	10,61,848	14,95,000	16,82,000	18,16,000
4. Interest on Securities of Railway Companies' Provident Funds	30,95,271	44,00,462	36,58,254	34,26,000	34,26,000	34,26,000
5. Gain from purchase of Government of India securities for Depreciation Fund at less than nominal value	...	...	...	9,00,000	...	...
6. Miscellaneous items	2,05,763	91,488	76,214	94,000	1,05,000	89,000
TOTAL	73,11,669	89,34,027	82,74,384	93,60,000	90,30,000	97,91,000
Deduct—Refunds	...	...	1,900	...	...	...
NET TOTAL INDIA	73,11,669	89,34,027	82,72,484	93,60,000	90,30,000	97,91,000
ENGLAND.						
1. Interest realised from investment of Cash Balances, etc.	25,02,143	17,40,666	40,91,874	14,05,000	47,10,000	27,10,000
2. Assets of Gold Standard Reserve in excess of £40 millions	...	...	1,19,91,280	1,42,04,000	1,63,84,000	1,69,80,000
TOTAL	25,02,143	17,40,666	1,60,83,154	1,56,09,000	2,10,94,000	1,96,90,000
EXCHANGE	12,86,888	8,96,003	73,03,982	67,56,000	78,35,000	65,63,000
TOTAL RECEIPTS	1,11,0 ,700	1,15,70,696	3,16,59,620	3,17,25,000	3,79,59,000	3,60,44,000

India. 35. It was proposed in the Budget of the current year to credit to revenue a sum of 9 lakhs representing the difference between the full nominal value and the purchase price of the securities purchased for the sinking funds of the 5 per cent. rupee loans. On the advice of the Auditor General, who considered that this procedure was open to objection from an accounts point of view, it has been decided to revert to the old procedure and not to take a credit to revenue on this account. The consequent decrease in the Revised is partly set off by increased receipts from interest on loans by the Central Government.

England. 36. The increase in Revised is due partly to larger cash balances available for investment and partly to changes in investments of the Gold Standard Reserve. It is not expected that the former cause will operate to such a large extent next year.

EXPENDITURE ON ACCOUNT OF INTEREST AND REDUCTION OR AVOIDANCE OF DEBT.

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
				Budget.	Revised.	
	R	R	R	R	R	R
Interest on Debt other than that charged to Commercial Departments and Provincial Governments—						
Interest on total Debt—						
1. India	19,05,17,484	17,66,53,811	20,10,52,772	20,00,00,000	20,13,26,000	20,58,96,000
2. England	7,23,92,711	8,65,97,278	10,26,95,582	10,48,90,000	12,55,54,000	13,07,64,000
3. Exchange	3,70,80,095	4,55,69,437	4,65,79,673	4,54,00,000	4,66,34,000	4,35,88,000
TOTAL	29,99,90,290	30,88,20,526	35,03,28,027	35,02,90,000	37,35,14,000	38,02,48,000
Deduct—Amounts charged to—						
(*a*) Salt	...	...	...	...	*2,76,000*	*3,38,000*
(*b*) Railways:						
(i) India	*9,22,00,832*	*9,83,68,192*	*11,22,14,021*	*12,41,63,000*	*12,58,17,000*	*13,64,44,000*
(ii) England	*4,24,61,280*	*4,24,28,620*	*4,34,72,394*	*4,59,97,000*	*6,51,39,000*	*7,29,17,000*
(iii) Exchange	*2,16,85,936*	*2,26,50,537*	*2,00,03,722*	*1,99,09,000*	*2,41,94,000*	*2,43,05,000*
	15,63,48,048	*16,34,47,349*	*17,56,90,137*	*19,00,69,000*	*21,51,50,000*	*23,36,66,000*
(*c*) Irrigation:	*12,18,481*	*12,18,882*	*11,92,750*	*12,41,000*	*12,41,000*	*12,50,000*
(*d*) Posts and Telegraphs.	*56,81,015*	*59,16,002*	*63,88,844*	*71,00,000*	*70,75,000*	*69,66,000*
(*e*) Provincial Governments	*2,58,41,800*	*3,02,00,692*	*3,75,47,098*	*4,46,08,000*	*4,30,33,000*	*4,95,34,000*
Total Deduction	*18,90,89,344*	*20,07,82,925*	*22,08,18,829*	*24,30,18,000*	*26,67,75,000*	*29,17,54,000*
Interest on Ordinary Debt.	11,09,00,946	10,80,37,601	12,55,09,198	10,72,72,000	10,67,39,000	8,84,94,000

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25. Budget.	1924-25. Revised.	Budget, 1925-26.
	R	R	R	R	R	R
Brought forward	11,09,00,946	10,80,37,601	12,95,09,198	10,12,72,000	10,67,39,000	8,84,94,000
Interest on other Obligations						
1. India—						
On Savings Bank Balances	2,17,99,453	2,21,36,336	2,34,25,963	2,66,82,000	2,59,59,000	2,82,58,000
Other items	42,98,044	84,82,701	66,40,918	96,24,000	85,65,000	1,47,77,000
	2,60,97,497	3,06,19,037	3,00,66,881	3,63,06,000	3,45,24,000	4,30,35,000
2. England	...	51,760	70,519	70,000	83,000	95,000
3. Exchange	...	25,231	30,901	30,000	31,000	32,000
TOTAL	2,60,97,497	3,06,95,628	3,01,68,301	3,64,06,000	3,46,38,000	4,31,62,000
Reduction or Avoidance of Debt						
1. India	1,51,00,000	1,54,00,000	73,61,000	99,31,000	94,81,000	5,01,50,000
2. England	50,00,000	50,00,000	44,26,026	2,06,88,000	2,06,69,000	...
3. Exchange	25,71,571	24,56,311	18,80,446	89,53,000	76,77,000	...
TOTAL	2,29,71,571	2,28,56,311	1,36,67,472	3,95,72,000	3,78,27,000	5,01,50,000
TOTAL	15,99,70,014	16,15,88,540	17,33,44,971	18,32,51,000	17,92,04,000	18,18,06,000

Interest on Ordinary Debt.

Revised, 1924-25.

37. The gross charges on account of interest on debt in India in the Revised estimate for 1924-25 show an increase of 13 lakhs as compared with the Budget on account of the higher rates of discount at which Indian Treasury bills in the Paper Currency Reserve were renewed. The increase in the English figure (including Exchange) is only apparent, being due to a change in the system of accounting following the separation of Railway from General Finances. Under the new system the capital portion of the annuities outstanding on the 31st March 1924 is treated as a debt of the Central Government who are accordingly debited in the first instance with the interest portion of the annuities paid. The amount payable by Railways will be a fixed charge based on the capital outstanding on the 31st March

1924. If allowance is made for this, the interest charges in England including exchange are really 64 lakhs better than Budget, the saving being due to exchange.

Budget, 1925-26.

38. In the Budget for 1925-26 provision has been made for a full year's interest on the rupee loans raised in the current year. A sum of Rs. 50 lakhs has also been provided for the service of a new rupee loan and R2,42 lakhs for discount on replacement of Indian Treasury bills in the Paper Currency Reserve. The increase in interest charges in England is due to the transfer of the liability for the 18½ millions of East Indian Railway debenture stock to Government, the interest on this capital which was formerly charged direct to Railways being shown in the first instance as an addition to gross interest charges. The transfers to Railways are increased correspondingly.

Transfers to Commercial Departments.

39. The amount of interest transferred to the accounts of the commercial departments depends, firstly, on the capital expenditure; secondly, on the actual payment of interest on that portion of the debt which has been incurred specifically on account of the construction or purchase of Railways; and thirdly, on the rate at which interest is charged on that portion of the debt which has not been specifically raised for the above or other purpose. The present procedure is to charge to Railways, Posts and Telegraphs and Irrigation works, in respect of that portion of the debt which has not been incurred specifically for these works, interest on capital expenditure incurred to the end of 1916-17 at the rate of interest specified in the Devolution Rules and interest on capital outlay in subsequent years at the average rate paid on borrowings in that period.

40. The net saving of 51 lakhs under gross interest charges in Revised referred to in para. 37 above is almost wiped out by the lesser transfers to Railways and Provincial Governments, due in the former case to lapses in the capital programme and in the latter to a reduction in their loan requirements. The transfers include for the first time interest chargeable to the Salt Department on the capital outlay on the Northern India Salt works, the accounts having been commercialised with effect from the current year. The increase in the transfers in Budget is due to the progress of the capital expenditure in the case of Commercial Departments and to the increase in the debt owed to the Central Government in the case of Provincial Governments.

Interest on other Obligations.

41. The saving in Revised as compared with Budget occurs chiefly under bonus on cash certificates, the Revised estimate for which is now put at 12 lakhs less than was originally budgeted for. The Budget for 1925-26 besides providing for the usual increases allows for the following special items:—

(1) interest on the Railway Depreciation and Reserve funds and the Posts and Telegraphs Depreciation fund (33 lakhs),

(2) interest payable on property returned to non-enemy nationals (12 lakhs), and

(3) provision for interest payable to Provincial Governments on their surplus balances (10 lakhs).

REDUCTION OR AVOIDANCE OF DEBT.

42. The Revised estimate of 3,78·27 lakhs includes— *Revised, 1924-25.*

(1) 88·31 lakhs for sinking funds for 5 per cent. rupee loans,
(2) 1,72·63 „ capital portion of Railway annuities,
(3) 47·07 „ Railway Sinking funds,
(4) 63·73 „ capital portion of annual payments in redemption of liabilities assumed in respect of British War loan (1929-47), and
(5) 6·50 „ customs duty on State Railway capital stores.

The decrease as compared with Budget is due to savings in exchange and to the fact that the Customs duty on Railway capital stores originally taken at 11 lakhs is now taken at 6½ lakhs.

43. The provision for 1925-26 includes 24 lakhs on account of Customs duty on Railway Capital stores. It is larger than Revised on account of the fact that the East Indian Railway has, and the Great Indian Peninsula Railway will soon, become State-managed. *Budget, 1925-26.*

44. The balance is calculated according to the terms of the Government of India, Finance Department Resolution, No. F. 1·-II-F., dated the 9th December 1924 which prescribes the amount to be set apart for this purpose as 4 crores *plus* $\frac{1}{80}$th of the excess of the debt outstanding on the 31st March of the preceding year over that outstanding on the 31st March 1923.

The excess is arrived at as follows:—

	Lakhs.
Debt outstanding on the 31st March 1925	9,08,78
„ „ 1923	8,46,78
	62.00

45. Out of the total of 4,77·50 lakhs, the following obligatory payments are to be made:—

(1) 97·21 lakhs for 5 per cent. rupee loans.
(2) 1,73·64 „ capital portion of Railway annuities.
(3) 48·55 „ Railway Sinking Funds, and
(4) 65·02 „ capital portion of annual payments in redemption of liabilities assumed in respect of British War Loan (1929-47).

3,84·42 „

CIVIL ADMINISTRATION.

(In lakhs of rupees.)

	Revenue.	Expenditure.	Net Expenditure.
1921-22, Actuals	77·29	9,40·80	8,63·51
1922-23, „	44·34	9,94·32	9,49·98
1923-24, „	68·51	9,33·97	8,65·46
1924-25 Budget	72·01	9,80·28	9,08·27
1924-25 Revised	70·70	10,26·87	9,56·17
1925-26, Budget	72·60	10,97·98	10,25·38

Expenditure. 46. The increase in Revised is mainly due to bounties (62 lakhs) under the Steel Protection Act and the additional bounties on finished steel voted by the Assembly in January. The increases on account of pay, pension and passage concessions to the Superior Civil Services are covered by savings.

47. The increase in Budget is spread over most of the heads in this group. The expenditure on bounties is expected to be about 6 lakhs more. Among other causes that have contributed to the increase may be mentioned a revision of pay in the Audit Department, the taking over of direct relations by the Central Government with Western India States and additional expenditure in connection with the reorganisation of the administration of the Burma Frontier, reconditioning of pilot vessels, expansion of the Indian Stores Department and increased expenditure in the Archæological Department, including provision for further excavations and for a museum at Taxila. Included under this group are the items of expenditure on beneficial services referred to in paragraph 54 of the Finance Member's speech.

CURRENCY AND MINT.

(In lakhs of rupees.)

	Revenue.	Expenditure.	Net Revenue.
1921-22, Actuals	4,37·42	1,07·48	3,29·94
1922-23, „	3,62·03	1,03·10	2,58·93
1923-24, „	3,12·74	99·07	2,13·67
1924-25 Budget	3,63·86	77·31	2,86·55
1924-25 Revised	3,94·93	73·20	3,21·73
1925-26, Budget	4,08·07	73·47	3,34·60

Revenue. 48. The increase in Revised is due partly to greater profits on circulation of nickel and bronze coin and partly to increased interest receipts in respect of Paper Currency Reserve investments in England.

49. The increase in Budget 1925-26 is due to larger interest receipts (40 lakhs) in India on account of Treasury Bills issued to the Paper Currency Reserve, the rates of discount being higher this year, partly counterbalanced by a reduction in the profits from the circulation of nickel coin and in the interest receipts in respect of loans to the Imperial Bank against internal Bills of exchange.

EXCHANGE.

50. Since the 1st April 1920, the accounts have been prepared on the basis of the rate of 2*s.* per rupee for the conversion of rupee transactions into sterling and *vice versa*. The sterling value of the rupee has however stood at a lower level in recent years, the average rate for the current year being expected to work out at 1*s.* 5$\frac{1}{2}$*d.* In consequence of this variation from the 2*s.* rate, large sums have to be brought to account as credits or debits on account of exchange in respect of transactions involving remittances of funds to and from the Secretary of State.

51. The following table shows the debits for exchange in respect of remittance and allied transactions which are expected to be brought to account, the estimates being based on assumption of an average rate of exchange of 1*s.* 5$\frac{1}{32}$*d.* and 1*s.* 6*d.* during the current and the next year, respectively :—

	(In lakhs of rupees.)	
	1924-25.	1925-26.
(i) Remittances from India for financing the Home Treasury	15,06	10,50
(ii) Bills and telegraphic transfers drawn by Iraq for payment in India against recoveries in England .	62	57
(iii) Sterling money order and other miscellaneous transactions	35	50
TOTAL .	16,03	11,57

52. The procedure for the allocation of exchange gains and losses is as follows. All exchange gains and losses arising in respect of remittance transactions are recorded in the first instance under a suspense head; the portion attributable to the revenue and capital accounts in respect of outlay incurred in England is calculated every month on the basis of the average of the daily telegraphic transfer rates from Calcutta on London and transferred to these accounts, and the portion relating to expenditure of Provincial Governments is similarly debited to the Provincial Governments concerned; and it is considered with reference to the circumstances of each year whether the balance remaining under the suspense head after these transfers are made should be written off to revenue or kept in suspense against the possibility of opposite results in succeeding years.

53. Excluding the book adjustments in connection with the liabilities taken over by the Secretary of State on the expiry of the contracts with the East Indian and Great Indian Peninsula Railways, the following table shows the amounts chargeable to revenue, capital and other heads during the current and next years on account of losses from exchange and the net credits remaining under the suspense head after such allocation :—

	(In lakhs of rupees.)	
	1924-25.	1925-26.
Revenue heads (net as detailed in Statements A and B) .	9,48	8,33
Capital heads (Railways, Posts and Telegraphs and Delhi)	2,85	3,42
Provincial Governments	98	1,02
Total transfers .	13,31	12,77
Total loss (*vide* para. 51 above) .	16,03	11,57
Net $\frac{\text{Credit} +}{\text{Debit} -}$ under the suspense head	—2,72	+1,20

54. The credit balance outstanding under the suspense head at the close of 1923-24 was Rs. 8,55 lakhs. On the basis of the above estimates, the balance at the end of the years 1924-25 and 1925-26 will be Rs. 5,83 and 7,03 lakhs respectively. The question of the accounts adjustments necessary on account of the liabilities taken over in connection with the assumption of direct State management in the East Indian and Great Indian Peninsula Railways is at present under consideration in consultation with the Auditor General; and the estimates are subject to variation on this account, as also with reference to the actual remittance programme of the next year.

CIVIL WORKS.

(In lakhs of rupees.)

	Revenue.	Expenditure.	Net expenditure.
1921-22, Actuals	11·34	1,54·20	1,42·86
1922-23, „	14·38	1,34·81	1,20·43
1923-24, „	37·05	1,70·31	1,33·26
1924-25 Budget	12·36	2,06·50	1,94·14
1924-25 Revised	12·12	1,93·27	1,81·15
1925-26, Budget	10·18	1,68·47	1,58·29

Expenditure.

55. The estimate of expenditure for 1925-26 is considerably lower than the Budget and Revised Estimates for the current year owing to the fact that the latter contained much larger provision for special expenditure in Waziristan. The amount provided in the Budget for 1924-25 was 48 lakhs. The provision in next year's Budget is only 7½ lakhs.

MISCELLANEOUS.

(In lakhs of rupees.)

	Revenue.	Expenditure.	Net expenditure.
1921-22, Actuals	7,18·57	5,58·91	—1,59·66
1922-23 „	62·47	5,20·56	4,58·09
1923-24 „	94·78	4,46·50	3,51·72
1924-25 Budget	67·48	4,88·73	4,21·25
1924-25 Revised	33·50	4,47·95	4,14·45
1925-26, Budget	43·21	4,01·91	3,58·70

56. The decrease under net expenditure in Budget is mainly due to the cost of stationery supplied to the Army being borne by the Army estimates from 1925-26 and the total amount of pension being reduced on account of the greater liability assumed by the Posts and Telegraphs Department as a result of the introduction of a commercialised system of accounting.

ARMY.

		Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25. Budget.	1924-25. Revised.	Budget, 1925-26.
		R	R	R	R	R	R
EXPENDITURE.							
India—							
Part A—Standing Army.							
Effective Services.							
Maintenance of the Standing Army.		31,54,57,826	30,29,54,305	28,59,49,583	28,49,46,320	26,95,87,000	27,37,35,360
Cost of Educational, etc., establishments and working expenses of Hospitals, Depots, etc.		11,86,56,841	9,40,68,632	9,02,53,323	8,27,19,750	8,46,26,000	8,24,17,860
Army Headquarters, Staff of Commands, etc.		2,50,64,010	2,14,59,704	2,03,41,847	2,05,19,510	2,04,70,000	2,02,73,730
Stock Account . . .		—7,32,55,562	—2,98,64,230	—3,64,03,308	—1,47,38,490	—2,57,04,000	—1,16,69,650
Special Services . .		8,40,35,980	5,45,82,360	1,88,49,069	57,94,780	49,84,000	58,85,280
Miscellaneous Charges .		1,09,57,648	1,94,78,050	23,47,396	1,83,86,130	2,22,83,000	90,77,420
Unadjusted Expenditure .		15,30,802	—24,84,021	—13,51,602	..	...	...
TOTAL—*EFFECTIVE*	R	48,24,47,145	46,01,74,801	37,99,86,308	39,67,28,000	37,61,98,000	37,97,20,000
NON-EFFECTIVE SERVICES—							
Non-effective charges .	R	3,65,55,901	5,92,75,452	5,74,71,540	5,38,86,000	5,29,51,000	5,11,09,000
Exchange on English expenditure . .	R	5,96,05,751	...	...	...	...	...
Part B.—Auxiliary and Territorial Forces—							
Effective . .	R	69,40,941	95,45,770	1,05,41,555	1,11,95,000	1,05,45,000	1,09,32,000
Part C.—Royal Air Force . { Effective	R	71,28,591	1,10,55,114	1,46,13,236	1,29,97,000	1,27,27,000	1,41,11,000
Part C.—Royal Air Force . { Non-effective	R	..	...	3,479	5,000	1,000	21,000
	R	71,28,591	1,10,55,114	1,46,16,715	1,30,02,000	1,27,28,000	1,41,32,000
TOTAL INDIA { Effective	R	55,61,22,428	48,07,75,685	40,51,41,099	42,09,20,000	39,94,70,000	40,47,63,000
TOTAL INDIA { Non-Effective	R	3,65,55,901	5,92,75,452	5,74,75,019	5,38,91,000	5,29,52,000	5,11,30,000
	R	59,26,78,329	54,00,51,137	46,26,16,118	47,48,11,000	45,24,22,000	45,58,93,000
EXPENDITURE.		£	£	£	£	£	£
England—							
Part A—Standing Army.							
Effective Services.							
Maintenance of the Standing Army . .		4,051,609	3,196,815	2,875,730	2,694,500	2,490,000	2,476,000
Cost of Educational, etc., establishments and working expenses of Hospitals, Depots, etc. . .		669,788	235,000	214,700	196,500	298,500	245,700
Army Headquarters, Staff of Commands, etc. .		2,508	51,168	40,665	42,000	47,000	44,000
Stock Account . .		2,011,176	1,813,415	1,115,552	1,575,900	1,840,800	1,036,700
Carried over .	£	6,735,081	5,296,398	4,246,647	4,508,900	4,676,300	3,802,400
	R	59,26,78,329	54,00,51,137	46,26,16,118	47,48,11,000	45,24,22,000	45,58,93,000

ARMY—*contd.*

		Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25. Budget.	1924-25. Revised.	Budget, 1925-26.
Brought forward		59,26,78,329	54,00,51,137	46,26,16,118	47,48,11,000	45,24,22,000	45,58,93,000
Special Services		6,735,081	5,296,398	4,246,647	4,508,900	4,676,300	3,802,400
Miscellaneous Charges		241,184	454,904	611,573	1,050,000	820,000	1,200,000
		930,082	740,124	659,894	638,000	548,800	631,000
TOTAL—*EFFECTIVE*	£	7,906,347	6,491,426	5,518,114	6,196,900	6,045,100	5,633,400
NON-EFFECTIVE SERVICES— Non-effective charges	£	3,336,836	3,421,204	3,646,984	3,748,200	3,721,000	3,695,300
Part C.—Royal Air Force (Effective).	£	346,183	788,271	519,045	454,800	602,700	554,100
	£	11,589,366	10,700,901	9,684,143	10,399,900	10,368,800	9,882,800
TOTAL ENGLAND Effective	R	8,25,25,297	7,27,96,971	6,03,71,596	6,65,17,000	6,64,78,000	6 18,75,000
TOTAL ENGLAND Non-effective	R	3,33,63,358	3,42,12,042	3,64,69,838	3,74,82,000	3,72,10,000	3,69,53,000
	R	11,58,93,655	10,70,09,013	9,68,41,434	10,39,99,000	10,36,88,000	9,88,28,000
TOTAL EXPENDITURE Effective	R	63,86,47,725	55,35,72,656	46,55,12,695	48,74,37,000	46,59,48,000	46,66,38,000
TOTAL EXPENDITURE Non-Effective	R	6,99,24,259	9,34,87,494	9,39,44,857	9,13,73,000	9,01,62,000	8,80,83,000
	R	70,85,71,984	64,70,60,150	55,94,57,552	57,88,10,000	55,61,10,000	55,47,21,000
REVENUE.							
India Effective	R	4,81,93,444	3,74,90,393	3,07,32,065	1,78,21,000	3,01,14,000	2,47,91,000
India Non-effective	R	9,93,678	18,75,003	20,91,011	14,47,000	14,93,000	13,09,000
India TOTAL	R	4,91,87,122	3,93,65,396	3,28,23,076	1,92,68,000	7,000	2,61,00,000
England	£	2,323,536	900,750	480,022	467,000	602,800	406,800
Effective	R	1,04,37,770	74,81,527	36,00,935	35,85,000	49,63,000	29,93,000
Non-effective	R	1,27,97,609	15,25,970	11,99,288	10,85,000	10,65,000	10,75,000
TOTAL	R	2,32,35,379	90,07,497	48,00,223	46,70,000	60,28,000	40,68,000
TOTAL REVENUE. Effective	R	5,86,31,214	4,49,71,920	3,43,32,000	2,14,06,000	3,50,77,000	2,77,84,000
TOTAL REVENUE. Non-effective	R	1,37,91,287	34,00,973	32,90,299	25,32,900	25,58,000	23,84,000
TOTAL	R	7,24,22,501	4,83,72,893	3,76,23,299	2,39,38,000	3,76,35,000	3,01,68,000
NET EXPENDITURE India	R	54,34,91,207	50,06,85,741	42,97,93,042	45,55,43,000	42,08,15,000	42,97,93,000
NET EXPENDITURE England	R	9,26,58,276	9,80,01,516	9,20,41,211	9,93,29,000	9,76,60,000	9,47,60,000
Effective	R	58,00,16,511	50,86,00,736	43,11,79,695	46,60,31,000	43,08,71,000	43,88,54,000
Non-effective	R	5,61,32,972	9,00,86,521	9,06,54,558	8,88,41,000	8,73,04,000	8,56,99,000
TOTAL	R	63,61,49,483	59,86,87,257	52,18,34,253	55,48,72,000	51,84,75,000	52,45,53,000

Revised, 1924-25.

57. The net Army expenditure in 1924-25 is now estimated at R51,84·75 lakhs against a corresponding Budget provision of R55,48·72 lakhs. The reduction of R3,63·97 lakhs is made up of a decrease of R3,47·28 lakhs in expenditure in India and R16·69 lakhs in expenditure in England.

58. The decrease of R3,47·28 lakhs in India is the net result of the following important variations:— *India.*

Decreases.

(Lakhs of rupees.)

(i) Shortages in authorised establishments of fighting and ancillary services and economies and retrenchments in various directions	1,70	
(ii) Savings in the provision for loss by exchange	67	
(iii) Larger credits by consumption and disposal of surplus stores	45	
(iv) Arrear receipts	42	
(v) Savings in the grant for Auxiliary and Territorial Forces.	7	
(vi) Smaller purchase of stores in India, by increase of the grant for purchases in England	31	
(vii) Other savings, chiefly in rail and other transportation charges, and credits by greater utilisation of Government transport	15	
		3,77

Increases.

(i) Rise in prices of food stuffs	15	
(ii) Growth in pension charges	14	
(iii) Retirement of surplus officers of the Indian Army	1	
		30
Net decrease		3,47

59. The principal items contributing to the decrease of R16·69 lakhs in England are:— *England.*

Decreases.

(Lakhs of rupees 1 £=R10.)

(i) Smaller payments to War Office for British Forces serving in India, etc.	26	
(ii) Gratuities and allowances to surplus officers of the Indian Army, due to officers deferring drawing their gratuities till the end of the full period for which allowances are payable	28	
(iii) Saving in the provision for pension charges, owing mainly to reduction in the rates of pension of officers	3	
		57

Increases.

(i) Larger purchase of stores in England by reduction of the grant for purchases in India	31	
(ii) Miscellaneous and arrear charges	9	
		40
Net decrease		17

Budget, 1925-26.

60. Of the sum of ₹56·25 crores allotted in the Budget for 1925-26 to meet the net expenditure on Military services, ₹52,45·53 lakhs will be available for expenditure under the "Army" head, which is made up of ₹42,97·93 lakhs for expenditure in India and ₹9,47·60 lakhs in England. The former figure includes (*i*) ₹3,15·87 lakhs for exchange on net expenditure in England, (*ii*) ₹12·5 lakhs being the cost of stationery and forms supplied to, and printing work done for, the Army by the Civil Department which from 1925-26 will be borne by Military estimates, (*iii*) ₹10·5 lakhs for payments in India of gratuities and allowances to surplus officers of the Indian Army and (*iv*) ₹51·9 lakhs on account of cost of water and electricity, etc., supplied by Military Engineer services to Army units and establishments, which will be charged under the appropriate heads in the Army Estimates from 1925-26. It also allows for a credit to "Army" of ₹11·0 lakhs representing the present value of the Dera-Ismail Khan-Tank Decauville Railway to be taken over from Army by the Railway Department. The English expenditure includes ₹1,20·0 lakhs for payments in England of gratuities and allowances to surplus officers of the Indian Army.

MARINE.

		Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25. Budget.	1924-25. Revised.	Budget, 1925-26.
EXPENDITURE.							
India	₹	1,31,11,067	1,13,49,218	71,46,317	66,76,000	56,36,000	62,11,000
England	£	406,556	264,940	250,811	249,200	209,600	208,900
	₹	40,65,559	26,49,400	25,08,108	24,92,000	20,96,000	20,89,000
Total Expenditure	₹	1,71,76,626	1,39,98,618	96,54,425	91,68,000	77,32,600	83,00,000
REVENUE.							
India	₹	55,91,868	32,72,538	24,73,367	14,92,000	12,75,000	9,33,000
England	£	53,379	...	...	...	...	...
	₹	5,33,787	...	...	...	...	...
Total Revenue	₹	61,25,655	32,72,538	24,73,367	14,92,000	12,75,000	9,33,000
NET EXPENDITURE. India	₹	75,19,139	80,76,680	46,72,950	51,84,000	43,61,000	52,78,000
NET EXPENDITURE. England	₹	35,31,772	26,49,400	25,08,108	24,92,000	20,96,000	20,89,000
NET EXPENDITURE. Total	₹	1,10,50,971	1,07,26,080	71,81,058	76,76,000	64,57,000	73,67,000

61. The reduction of R12·19 lakhs in net expenditure in the Revised estimate as compared with Budget for 1924-25 is made up of (i) lapse of the bulk of the provision for retrenchment R6·40 lakhs, ii retrenchments in expenditure on establishments and outlay on stores R2·78 lakhs and (iii) saving in Exchange R3·01 lakhs. *Revised, 1924-25.*

62. The Budget for 1925-26 has been fixed at R73·67 lakhs. It is R3·09 lakhs less than the Budget estimate for 1924-25, which is due mainly to saving in Exchange and to fall in receipts. But it exceeds the Revised estimate for 1924-25 by R9·10 lakhs owing partly to fall in receipts and partly to special provision made for purchase and replacement of vessels. *Budget, 1925-26.*

MILITARY ENGINEER SERVICES.

		Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25. Budget.	1924-25. Revised.	Budget, 1925-26.
EXPENDITURE.							
India . . .	R	5,18,30,288	4,74,71,301	4,05 97,369	4,15,60,000	4,05,99,000	3,91,42,000
England . . .	£	121.944	152,889	72.242	47,800	55,500	45,400
	R	12.19,442	15.28,886	7,22,414	4,78,000	5,55,000	4,54,000
TOTAL .	R	5,3 1,49.730	4.90,00,187	4.13,19,783	4,20,38,000	4,11,54,000	3,95,96,000
REVENUE.							
India . . .	R	21,45,676	57,33,434	80.59.731	20,86,000	27,86,000	90,16,000
NET EXPENDITURE. India	R	4.96,84.612	4,17 37.867	3 25,37,638	3,94,74,000	3,78,13,000	3,01,26,000
NET EXPENDITURE. England	R	12.19,442	15.28,886	7,22,414	4,78,000	5,55,000	4,54,000
NET EXPENDITURE. TOTAL	R	5,09,04.054	4,32,66 753	3 32,60,052	3.99,52,000	3,83,68,000	3,05,80,000

63. The decrease of R15·84 lakhs in net expenditure in the current year as compared with the Budget is due partly to increased receipts from rent, sales, etc., of buildings and partly to reduction in expenditure. *Revised, 1924-25.*

64. The Budget Estimate of net expenditure in 1925-26 has been taken at R3,05·80 lakhs. It is less than the Budget, 1924-25, by R93·72 lakhs, and Revised, 1924-25 by R77·88 lakhs. Apart from a decrease in expenditure, it takes into account a credit of R51·9 lakhs for cost of water and electricity, etc., supplied to Army units and establishments which will be charged to the appropriate heads in the Army estimates from 1925-26. *Budget, 1925-26.*

MILITARY SERVICES: SUMMARY.

		Actuals, 1921-1922.	Actuals, 1922-1923.	Actuals, 1923-1924.	1924-1925. Budget.	1924-1925. Revised.	Budget. 1925-1926.
EXPENDITURE.							
India	₹	65,76,19,684	59,88,71,656	51,03,59,904	52,50,47,000	49,86,57,000	50,12,46,000
England	£	12,117,866	11,118,730	10,007,196	10,696,900	10 633,900	10,137,100
	₹	12,11,78,656	11,11,87,299	10,00 71,956	10,69,69,000	10,63,39,000	10,13,71,000
Total Expenditure	₹	77,87,98,340	71,00,58,955	61,04,31,760	63,00,16,000	60,49,96,000	60,26,17,000
REVENUE.							
India	₹	5,69,24,666	4,83,71,368	4,33,56,174	2,28,46,000	3,56,68,000	3,60,49,000
England	£	2,376,917	900,750	480,022	467,000	602,800	406,800
	₹	2,37,69,166	90,07,497	48,00,223	46,70,000	60,28,000	40,68,000
Total Receipts	₹	8,06,93,832	5,73,78,865	4,81,56,397	2,75,16,000	4,16 96,000	4,01,17,000
NET EXPENDITURE. India	₹	60.06,95,018	55,05,00,288	46,70,03,630	50,02,01,000	46.29,89,000	46,51,97,000
NET EXPENDITURE. England	₹	9,74,09 490	10,21,79,802	9,52,71,733	10,22,99,000	10,03,11,000	9,73,03,000
NET EXPENDITURE. Total	₹	69 81,04.508	65,26,80.090	56,22,75,363	60.25,00,000	56,33,00,000	56,25,09,000

Revised, 1924-25.

65. In the Budget estimate for 1924-25, a grant of ₹60·25 crores was allotted for net expenditure on Military services, inclusive of sterling expenditure in England converted at 16¾*d.* the rupee. This figure was made up as follows:—

	Lakhs of rupees.
(1) For loss by exchange on expenditure in England	4,43
(2) For retirement of surplus officers of the Indian Army-terminal charges	85
(3) For established charges of the Army, etc. (net)	55,62
(4) *Deduct*—Credit from consumption and disposal of surplus stores	—65
	60,25

66. The Revised estimate of net expenditure is less than the Budget provision by ₹3,92 lakhs. Of this reduction, about ₹70 lakhs represents saving on exchange by the conversion of sterling expenditure into rupees at 17½*d.* instead of at 16¾*d.* the rupee, ₹27 lakhs occurs under payments to surplus officers of the Indian Army, ₹45 lakhs is due to larger consumption or disposal of surplus stores and ₹42 lakhs is obtained by an arrear credit.

Apart from these savings, the reduction in net expenditure amounts to R2,08 lakhs which is due wholly to shortages and reductions in authorised establishments of fighting and ancillary services, retrenchments and economies in India in various directions. The payments to War Office in respect of British Forces serving in India will be R26 lakhs less than the Budget anticipation. On the other hand, the growth of pension charges in India will cause an excess of R11 lakhs and the recent rise in prices of foodstuffs, of another R15 lakhs.

Budget, 1925-26.

67. A grant of R56·25 crores has been allotted for net expenditure on Military Services in 1925-26, inclusive of sterling expenditure in England converted at 18*d.* the rupee. It is made up as follows :—

	Crores of rupees.	
(1) For retirement of surplus officers and personnel .	1·70	
(2) For special works expenditure in Waziristan and for the Royal Air Force	·43	
(3) For established charges of the Army, etc. (*net*) .	55·00	
		57·13
(4) *Deduct*—Credits from consumption and disposal of surplus stores	·70	
(5) *Deduct*—Credit for frontier railway, etc. . .	·18	
		·88
		56·25

PROVINCIAL CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS BETWEEN CENTRAL AND PROVINCIAL GOVERNMENTS.

(In lakhs of rupees.)

	Revenue.	Expenditure.	Net Revenue.
1921-22, Actuals	10,19·79	35·88	9,83·91
1922-23 „	9,26·86	3·93	9,22·93
1923-24 „	9,21·55	37·99	8 83·56
1924-25 Budget . . .	9,22·11	22·65	8,99·46
1924-25 Revised . . .	9,25·16	56·32	8,68·84
1925-26, Budget	6,22·14	15·74	6,06·40

Revenue.

68. These represent mainly the amounts payable by the Provincial Governments to the Central Government under the Devolution Rules. The balance is due to miscellaneous adjustments, such as repayment by Provincial Governments of expenditure initially incurred on their behalf by the Central Government. The receipts in 1925-26 are lower, on account of the remission of R3 crores in contributions of which R2½ crores are recurring and the balance is non-recurring.

Expenditure.

69. The charges represent payments to Provincial Governments on account of services rendered to the Central Government.

70. The provision in 1924-25 (Budget) and 1925-26 (Budget) represents mainly assignments on account of customs duty on stores imported by the Provincial Governments. In Budget 1925-26 no provision has been made for assignments to Provincial Governments who receive a recurring remission in their contributions. The increase in Revised 1924-25 is due to provision being made to meet certain arrear claims of the Bombay Government for expenditure incurred as agents of the Central Government since 1921-22. The claim is at present under investigation.

EXTRAORDINARY RECEIPTS AND PAYMENTS.

	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
		Budget.	Revised.	
	Rs.	Rs.	Rs.	Rs.
Receipts—				
India	18,75,963	...	81,000	...
England	1,67,50,000	17,50,000	1,86,00,000	28,75,000
Exchange . . .	73,39,888	7,50,000	69,08,000	9,58,000
TOTAL .	2,59,65,851	25,00,000	2,55,89,000	38,33,000
Payments—				
India	..	25,00,000	...	25,00,000
England	2,37,07,519	...	...	...
Exchange . . .	1,03,88,688	...	...	...
TOTAL .	3,40,96,207	25,00,000	..	25,00,000

71. The above major heads were opened for the first time in the accounts for 1923-24 for the record of special receipts and charges of a non-recurring character which it was considered desirable to distinguish from the ordinary revenue and expenditure of the Government.

Accounts, 1923-24.

72. The receipts in India represent the sale proceeds (including profit thereon) of German reparation dyes while those in England represent the portion of the earnings of enemy ships for which credit was taken in the Revised estimate of the year. The payments represent the amount of loans and advances to the Persian Government hitherto held in suspense charged off to revenue in the accounts of the current year (*vide* paragraph 11 of the Finance Member's speech).

Estimates, 1924-25 and 1925-26.

73. Of the balance of the windfall from the profits from the control of enemy ships, credit was originally taken in the Budget of the current year only for 25 lakhs, equivalent to the *ex gratia* payments which were expected to be made in the current year on account of compensation to private individuals who suffered from enemy action during the war The balance of the windfall was left under the Suspense head to provide for the refunds of Customs duty to Railway Companies in the event of the Privy Council decision being unfavourable to Government. Such a decision has now been given and it is estimated that the total amount necessary is 2,80 lakhs which will appear as a deduction from Customs receipts on this account. The *ex gratia* payments, on the other hand, are expected to be made only in 1925-26 instead of in the current year as originally intended. The latest estimate of the available balance of enemy ships' earnings excluding the amount adjusted in the accounts of 1923-24 but including profits on the working of the ships till their final disposal in 1925-26 is 2,94 lakhs of which 2,56 lakhs will be credited to revenue in Revised and 38 in Budget.

WAYS AND MEANS.

Home Treasury.

74. The bulk of the payments made in England on account of the Government of India consist normally of expenditure chargeable to the Indian revenues; and, if the transactions of the Home Treasury were restricted only to such payments, the Ways and Means programme would be a simple arrangement, as the whole of the expenditure would ordinarily be met by remittance of funds from India The capital outlay on the construction of Railways, however, sometimes necessitates heavy borrowing and a large portion of the money required has, when necessary, been raised in England, either direct or through the agency of Companies. Operations connected with the Gold Standard and Paper Currency Reserves, and with the replacement of one particular form or item of direct or indirect debt by another, further swell the receipts and charges of the Home Treasury without affecting ordinarily the general Ways and Means programme. Recoveries are also being effected by the Secretary of State against the drawings of the Iraq administration on India, and to a smaller extent against disbursements made in India on behalf of His Majesty's Government. These recoveries represent in effect remittances from India to finance the Home Treasury and reduce the amount of direct remittances which would otherwise be necessary.

75. The following is a summary of the transactions appearing in the Budget and Revised estimates of the Home Treasury for 1924-25, and in the Budget Estimate of 1925-26 :—

	Budget, 1924-25.	Revised, 1924-25.	Budget, 1925-26.
Receipts.	£	£	£
(1) Discount on loans raised in previous years brought to account as debt incurred . .	185,500	185,500	205,900
(2) Liabilities assumed by the Secretary of State in connection with the purchase of Railways	18,500,000	18,500,000	3,500,000
(3) Remittances between England and India—			
(*a*) Recoveries on account of drawings by Iraq administration on India .	2,560,000	1,631,000	1,700,000
(*b*) Other transactions	2,269,900	1,305,800	1,251,500
Total Receipts, excluding direct remittances and loans	23,515,400	21,622,300	6,657,400

	Budget, 1924-25.	Revised, 1924-25.	Budget, 1925-26.
	£	£	£
Total Receipts—Brought forward	23,515,400	21,622,300	6,657,400
DISBURSEMENTS.			
(4) Excess of Expenditure of the Central Government over Revenue.	28,265,500	25,532,800	24,981,600
(5) Expenditure incurred on behalf of Provincial Governments.	3,047,000	2,629,300	3,060,300
(6) Capital Expenditure not charged to Revenue—			
(a) Outlay on State Railways	11,568,400	7,500,000	7,517,500
(b) Redemption of liabilities involved in purchase of Railways.	...	...	2,575,000
(c) Discharge of Railway debentures.	18,951,000	18,926,000	3,475,000
(d) Outlay on Irrigation, Posts and Telegraphs and Delhi.	53,800	47,400	193,400
(7) Discharge of Debt	...	...	2,154,100
(8) Deposits and Advances	454,800	1,504,700	277,300
Total Disbursements	62,340,500	56,140,200	44,233,600
NET DISBURSEMENTS	38,825,100	34,517,900	37,576,200
Financed as follows— Remittances from India (net)	36,000,000	36,000,000	31,500,000
Reduction (+) or increase (—) of cash balance	2,825,100	—1,482,100	6,076,200
TOTAL	38,825,100	34,517,900	37,576,200
Opening Balance	7,630,600	10,384,200	11,866,300
Closing Balance	4,805,500	11,866,300	5,790,100

Revised, 1924-25.

76. The Revised estimate for the current year provides for a total disbursement by the Secretary of State and the High Commissioner for India of £56·1 millions including £18½ millions of the East Indian Railway Debentures taken over by the Secretary of State as State liability on the termination of the contract with the Company. After elimination of this item the actual expenditure will amount to £37·6 the main items being £25·5 millions on account of net expenditure of the Central Government in England in excess of revenue, £2·6 millions representing expenditure on behalf of Provincial Governments chargeable to their balances on deposit with the Central Government in India, £7·5 millions on account of Railway capital outlay and 2·0 millions for discharge of debentures and issues under Deposits and Advances.

77. The resources available for meeting the above disbursements total £3·1 millions, namely, (*i*) £1·6 million recovered from the Air Ministry and the Colonial Office against drawings on India by the Iraq Administration and (*ii*) £1·5 million representing various miscellaneous receipts.

78. The disbursements mentioned above exceed the resources by £34·5 millions, and the deficiency will be met by actual remittances from India. It is anticipated that the total remittances during the current year will amount to £36 millions, the excess over the requirements going to increase the balances at the beginning of 1924-25 by 1½ million to £11·9 millions.

Budget, 1925-26.

79. The disbursements by the Secretary of State and the High Commissioner in the coming year exclusive of the amount of Great Indian Peninsula Railway debenture stock to be taken over by the Secretary of State are now estimated at £40·7 millions, namely, excess of expenditure of the Central Government over revenue £25· millions, expenditure on behalf of Provincial Governments £3·1 millions, Railway capital outlay £7·5 millions, discharge of ordinary Debt, Railway Debentures and Great Indian Peninsula Railway Capital Stock £4·7 millions, and capital outlay on Posts and Telegraphs and Delhi and issues under Deposits and Advances £0·4 million.

80. It is expected that the Secretary of State will recover £1·7 millions from the Air Ministry and the Colonial Office on account of disbursements made in India on their behalf while miscellaneous receipts will amount to £1·4 million a total of £3·1 million.

81. The deficiency in resources is thus £37·6 millions. The estimates provide for its being met to the extent of (*i*) £31½ millions by remittances from India in one form or another, and (*ii*) £6·1 millions by a reduction of the cash balances from £11·9 millions at the beginning of 1925-26 to £5·8 at its end. It is not possible to indicate at present the precise form which the remittances from India aggregating £31·5 millions will take as this must depend on circumstances during the year.

Gold Standard Reserve.

82. The following are the details of the transactions of the Gold Standard Reserve in England :—

	1924-25.		Budget, 1925-26.
	Budget.	Revised.	
	£	£	£
RECEIPTS.			
Dividends on investments, discount on treasury bills, interest on loans at short notice, etc. .	1,504,100	1,603,100	1,740,100
Exchequer Bonds, British treasury bills and Colonial Government securities, etc., paid off . .	102,403,100	77,444,300	43,356,600
TOTAL .	103,907,200	79,047,400	45,096,700
CHARGE.			
Investments made	102,486,800	77,409,000	43,398,700
Appropriation to Revenue . . .	1,420,400	1,638,400	1,698,000
TOTAL .	103,907,200	79,047,400	45,096,700

83. The following statement shows the transactions and balances of the fund in the two years taken together :—

	1924-25. Budget.	1924-25. Revised.	Budget, 1925-26.
OPENING BALANCE—	£	£	£
(*a*) Invested (cost price)	39,952,000	39,979,200	39,942,900
(*b*) Uninvested—			
Cash at the Bank of England	3,700	900	900
	39,955,700	39,979,100	39,943,800
CLOSING BALANCE—			
In England—			
(*a*) Invested (cost price)	40,035,700	39,942,900	39,985,000
(*b*) Uninvested—			
Cash at the Bank of England	3,700	900	900
	40,039,400	39,943,800 (*a*)	39,985,900 (*a*)
Difference between opening and closing balances representing Interest, etc., on investments in England *less* appropriation to Revenue (*vide* preceding paragraph)	83,700	—35,300	42,100

(*a*) These figures are based on the cost price of investments for the Reserve. The excess over £40 millions on the basis of current market prices will be appropriated to revenue.

INDIA.

84. The following is a summary of the estimates of Ways and Means in India during 1924-25 and 1925-26 :—

	Budget, 1924-25.	Revised, 1924-25.	Budget, 1925-26.
RECEIPTS.	R	R	R
1. Excess of Revenue of the Central Government over Expenditure charged to Revenue	23,45,02,000	29,52,86,000	25,22,23,000
2. Capital contributed by Railway Companies towards outlay on State Railways	—8,76,55,000	—8,72,85,000	—1,37,13,000
3. Unfunded Debt incurred—			
(a) Post Office Cash Certificates (net)	1,50,00,000	4,60,00,000	4,20,00,000
(b) Savings Bank deposits (net)	5,99,33,000	5,01,95,000	5,57,19,000
4. Other Deposits and Remittances (net)	15,87,70,000	10,71,59,000	13,52,55,000
5. Transfers from the Paper Currency Reserve	..	6 00,00,000	...
6. Balances of Provincial Governments	4,47,000	2,13,000	3,37,85,000
TOTAL RECEIPTS EXCLUDING LOANS	48,09,97,000	47,18,68,000	50,52,69,000
DISBURSEMENTS.			
6. Capital Expenditure not charged to Revenue—			
(a) State Railways	18,43,16,000	5,35,00,000	15,48,25,000
(b) Redemption of liabilities involved in purchase of Railways	...	...	85,88,000
(c) Irrigation Works	...	16,000	27,000
(d) Posts and Telegraphs	1,73,95,000	1,64,98,000	1,98,02,000
(e) Initial expenditure on new Capital at Delhi	1,41,62,000	1,32,26,000	1,51,17,000
7. Permanent Debt discharged (net)	1,82,93,000	1,83,94,000	4,60,04,000
8. Floating Debt discharged—			
Treasury bills issued to the public (net)	2,13,00,000	2,12,20,000	...
9. Loans by the Central Government including loans to Provincial Governments and the Provincial Loans Fund	12,65,92,000	10,56,21,000	14,79,30,000
10. Remittances between England and India—			
(a) Remittances from India for financing Home Treasury	36,00,00,000	42,00,00,000	31,50,00,000
(b) Drawings by the Iraq administration recoverable in England	2,56,00,000	1,63,10,000	1,70,00,000
(c) Other transactions (net)	2,23,04,000	78,75,000	1,23,25,000
TOTAL DISBURSEMENTS	78,99,62,000	67,26,69,000	73,66,15,000
NET DISBURSEMENTS	35,89,65,000	20,07,92,000	23,13,44,000
FINANCED AS FOLLOWS :			
Debt incurred	20,00,00,000	13,21,22,000	12,00,00,000
Reduction of Treasury Balances	15,89,65,000	6,86,70,000	11,13,44,000
TOTAL	35,89,65,000	20,07,92,000	23,13,44,000
Opening Balance	29,77,01,000	31,13,62,000	24,26,92,000
Closing Balance	13,87,36,000	24,26,92,000	13,13,48,000

85. The following table shows the estimates of total capital outlay of the Central Government, net expenditure of the Central Government charged to revenue, and net transactions of Provincial Governments in the current and next years, and their distribution between India and England :—

(In lakhs of rupees.)

	Revised, 1924-25.			Budget, 1925-26.		
	India inclusive of adjustment for exchange.	England.	Total.	India inclusive of adjustment for exchange.	England.	Total.
(i) Capital outlay not charged to Revenue—						
(a) Railways . . .	5,35	7,50	12,85	15,48	7,52	23,00
(b) Discharge of Great Indian Peninsula Railway capital stock .	...	...	...	86	2,58	3,44
(c) Posts and Telegraphs, Irrigation and Delhi .	2,97	5	3,02	3,49	19	3,68
TOTAL .	8,32	7,55	15,87	19,83	10,29	30,12
(ii) Net expenditure of Central Government charged to revenue . .	—29,53	25,53	—4,00	—25,22	24,98	—24
(iii) Net drawings of Provincial Governments . . .	—2	2,63	2,61	—3,38	3,06	—32
GRAND TOTAL .	—21,23	35,71	14,48	—8,77	38,33	29,56

86. The estimates relating to England shown in the above table have been dealt with in connection with the Ways and Means position of the Secretary of State. Those relating to India will be found in the table in paragraph 84 summarising the Ways and Means position in India.

87. The following table summarises the disbursements in India in the current and next years as at present estimated :—

(In lakhs of rupees.)

	Revised, 1924-25.	Budget, 1925-26.
(i) Discharge of debt other than treasury bills .	1,84	4,60
(ii) Discharge of treasury bills held by the public .	2,12	...
(iii) Loans to Provincial Governments in Revised and the Provincial Loans Fund in Budget (net) .	9,39	13,82
(iv) Remittances from India for financing the Home Treasury (net)—see paragraphs 78 and 81	36,00	31,50
(v) Iraq drawings	1,63	1,70
(vi) Loans by Central Government	1,17	98
(vii) Miscellaneous deposits, advances and remittances	3,26	14
TOTAL .	55,41	52,74

88. The details of the entries against item (*i*) in the preceding paragraph are as follows:—

	(In lakhs of rupees.) Revised, 1924-25.	Budget, 1925-26.
(*a*) Discharge of debt through purchases for sinking funds	1,30	1,01
(*b*) Annual instalment in repayment of Gwalior 4 per cent. loan of 1887	2	...
(*c*) War Bonds, etc., converted into current loan or discharged	52	14
(*d*) Discharge of 1925 War Bonds	...	3,45
TOTAL	1,84	4,60

89. The resources available in the two years for meeting the above disbursements are estimated as follows:—

	(In lakhs of rupees.) Revised, 1924-25.	Budget, 1925-26.
(i) Proceeds of rupee loan in India	13,21	12,00
(ii) Net receipts from Savings Bank deposits	5,05	5,57
(iii) Net receipts from Post Office cash certificates	4,60	4,20
(iv) Net credits from exchange adjustments—*vide* paragraph 53	—2,72	1,20
(v) Railway Depreciation and Reserve Funds and Posts and Telegraphs Depreciation Fund	6,20	4,84
(vi) Appropriation for reduction or avoidance of Debt	97	5,02
(vii) Excess of revenue in India over expenditure including Provincial drawings (net)—*vide* paragraph 85	21,23	8,77
TOTAL	48,54	41,60

Rupee loans and cash certificates.

90. The total receipts from the new rupee loan, subscriptions for which were received from the 28th July 1924 amounted to R13,21 lakhs. The receipts consisted of R7,28 lakhs from the 5 per cent. Bonds, 1933, and R5,93 lakhs from the 5 per cent. Income-tax free loan, 1945-55. War Bonds, 1925 and 1928 of a total value of R23 lakhs were received in payment of subscriptions to the loan. The gross receipts and payments on account of cash certificates are expected to amount to R6,06 lakhs and R1,46 lakhs respectively during the current year, the net receipts thus amounting to R4,60 lakhs.

91. The entry of R12 crores relating to the proceeds of the rupee loan to be raised next year is as usual provisional and Government reserve discretion to vary the borrowing programme during the year. The net receipts from cash certificates next year are expected to amount to R4,20 lakhs.

Post office Savings Banks.

92. The Budget estimate assumed that there would be a net deposit of R1,00 lakhs into postal savings banks in the current year; the net deposit is now expected to amount to R42 lakhs. The Budget estimate for 1925-26 provides for a net deposit of R75 lakhs.

93. The disbursements enumerated in paragraph 87 are in excess of the available resources detailed in paragraph 89 by ₹6,87 lakhs in the current year and ₹11,14 lakhs for next year. The cash balance in India at the end of 1924-25 is expected to be ₹24,27 lakhs against ₹31,14 lakhs at the beginning of the year and will be reduced to ₹13,13 lakhs by the end of 1925-26.

A. C. McWATTERS.

The 30th March 1925.

STATEMENT SHOWING THE GROSS EXPENDITURE OF THE CENTRAL GOVERNMENT AS IN THE BUDGET ESTIMATES FOR 1925-26, PRESENTED TO THE LEGISLATURE, DIVIDED BETWEEN VOTED AND NON-VOTED.

(*vide* paragraph 57 of the Finance Member's Budget speech).

(In lakhs of rupees.)

	Voted.	Non-voted.	Total.
Expenditure charged to Revenue.			
Railways	72,34	25,62	97,96
Customs	72	10	82
Taxes on Income	62	3	65
Salt	1,11	39	1,50
Opium	1,79	1	1,80
Stamps	37	...	37
Forest	7	3	10
Irrigation	14	14	28
Posts and Telegraphs	8,95	92	9,87
Interest on Debt (excluding amounts charged to Commercial Departments)	21	13,59	13,80
Interest on other obligations	23	4,09	4,32
Reduction or Avoidance of Debt	1,17	3,85	5,02
General Administration	71	27	98
Audit	88	6	94
Police	2	...	2
Ports and Pilotage	19	11	30
Scientific Departments	75	13	88
Education	2	...	2
Medical	9	3	12
Public Health	6	1	7
Agriculture	20	4	24
Industries	27	43	70
Miscellaneous Departments	20	2	22
Currency	54	1	55
Mint	16	1	17
Civil Works	1,39	30	1,69
Superannuation Allowances and Pensions	30	2,38	2,68
Stationery and Printing	51	1	52
Miscellaneous (including Extraordinary Payments)	39	27	66
Miscellaneous Adjustments between the Central and Provincial Governments	16	...	16

(In lakhs of rupees.)

	Voted.	Non-voted.	Total.
Expenditure charged to Revenue—contd.			
North-West Frontier Province	1,12	1,10	2,22
Baluchistan	26	44	70
Delhi	31	1	32
Ajmer-Merwara	14	1	15
Andamans and Nicobars	41	2	43
Rajputana	5	8	13
Central India	6	8	14
Hyderabad	3	3	6
Secretary of State	19	31	50
High Commissioner	26	54	80
Ecclesiastical	...	35	35
Political	...	1,77	1,77
Territorial and Political Pensions	...	31	31
Military Services	...	60,26	60,26
Bangalore	...	13	13
Western India States	...	13	13
TOTAL	97,39	1,18,42	2,15,81
Expenditure not charged to Revenue—			
Railways	22,96	4	23,00
Posts and Telegraphs	2,14	...	2,14
Delhi	1,55	5	1,60
TOTAL	26,65	9	26,74

APPENDIX A.

MEMORANDUM ON THE MILITARY ESTIMATES FOR 1925-26.

The information given in the detailed estimates has been amplified by the addition of the actual figures for 1923-24, and the revised estimates for the current year, instead of the comparison between budget figures only given in the previous year's statement. A comparison with actuals of previous years has now some value. The accounts of years immediately prior to 1923-24 were still affected by the abnormal conditions prevailing in the aftermath of the Great War and were especially disorganised by miscellaneous adjustments of war expenditure, but from the year 1923-24, in which the recommendations of the Indian Retrenchment Committee were carried into effect, the accounts may be taken as expressive of expenditure on a scale approaching that of a normal post-war establishment. The actuals for 1923-24 and the revised estimate for the current year have been given for the major heads of account. Under the detailed heads the comparison is between the budget for the current year and that for 1925-26 in order to bring out the considerable reductions proposed for the latter year. Actuals for 1923-24 have been added for complete minor heads without going into further detail.

2 The record of the years 1920-21 to the present day is one of continuous and substantial reduction in military expenditure. The actual net expenditure finally recorded in the Finance and Revenue Accounts of the Government of India is as follows:—

	Rs.	
1920-21	87·4	crores.
1921-22	69·8	„
1922-23	65·26	„
1923-24	56·23	„

In 1920-21 expenditure was swollen by abnormal charges of Rs. 7 crores on the North-West Frontier and of Rs. 13 crores on the occupation of Waziristan, while in the following year Rs. 6½ crores were expended on Waziristan operations. In November 1922, the Indian Retrenchment Committee commenced their review of the expenditure of the Central Government. They had then before them the net military estimates for 1922-23 which amounted to Rs. 67¾ crores and the result of their exhaustive examination of every aspect of military administration was a recommendation that the net budget for 1923-24 should be fixed at Rs. 57¾ crores subject to such addition as would be necessary on account of delay which must necessarily ensue in carrying out the proposed changes. In their final review of military expenditure they envisaged further large automatic savings, and they considered that, in subsequent years, expenditure would be susceptible of reduction to Rs. 57 crores and ultimately to Rs. 50 crores provided a further fall in prices took place. They were careful to note that the Commander-in-Chief was unable to accept this latter estimate. The Legislative Assembly have been, from time to time, apprised of the progress of retrenchment operations and the record of the actual cumulative effect of these reductions must be of interest. The budget estimate for 1923-24 amounted to Rs. 62 crores after allowing for retrenchments agreed upon and for the necessary " lag " in carrying them into effect. It

was a budget prepared under extreme difficulty. Past actuals gave little help and, as the retrenchment report was presented while the budget was in preparation, the reductions in the estimates were necessarily made on a provisional basis. The actual expenditure for 1923-24 has proved to be under Rs. 56¼ crores. The reduction of Rs. 5¾ crores is largely due to the rapidity with which retrenchments were carried into effect under the orders of His Excellency the Commander-in-Chief. The consumption and disposal of surplus stores, a matter on which the Retrenchment Committee laid great stress, resulted in credits which exceeded the estimate by Rs. 75 lakhs. Unforeseen credits on account of sale-proceeds of temporary war buildings and other arrear adjustments of war expenditure amounted to Rs. 95 lakhs, while a more favourable exchange improved the position to the extent of Rs. 45 lakhs. The balance is made up of savings due to shortages of authorised establishment and the cumulative effect of rapid retrenchment, the effect of which had been under-estimated in the difficult conditions which have been described.

3. The net estimates for the current year 1924-25 amounted to Rs. 60¼ crores framed on the evidence of the budget of the previous year and modified by information then available as to the progress of current expenditure which, over an organisation so widespread and varied as the Army in India, cannot be compiled actually up to the time of preparation of the estimates for the ensuing year. The actual figures for 1923-24, which are now available, also justify a revised forecast of Rs. 56⅛ crores and the difference between this figure and the budget estimate may be attributed to the following causes. Shortages in establishment and further economies should produce a saving of Rs. 170 lakhs. Unexpected adjustments of war expenditure have given credits of Rs. 42 lakhs, while a benefit of Rs. 70 lakhs should result from the higher average rate of exchange on Home expenditure. The estimated credit for consumption and disposal of surplus stores has been exceeded by Rs. 45 lakhs due to the special attention paid to reduction of excess stocks. Gratuities to surplus officers and payments to the War Office are likely to prove less by Rs. 53 lakhs and under Military Works the progress of expenditure indicates probable underspending to the extent of Rs. 15 lakhs. At least half a crore more should be saved by miscellaneous reductions throughout the whole field of military expenditure. On the other hand, some extra provision is necessary to meet the increased cost of certain ration and forage articles and the contemplated revision of pay and allowances of officers of the Army with effect from 1st July of the current financial year.

4. In framing the estimates for 1925-26 it has been possible to rely upon records of past actual expenditure which has acquired a fairly normal character. There have been no material changes in the organisation of the Army since the statement of the latest position given in the recent publication on the evolution of the Army in India. All reductions in establishment of the fighting services recommended by the Retrenchment Committee have been carried into effect save the third regiment of British Cavalry. Notice has been given for the withdrawal of this regiment during the trooping season of 1925-26 and credit will be taken for consequent savings in that year. For the current year a contribution of £75,000, or approximately half the cost, has been made by the Home Government towards the maintenance of this unit in India. When the Inchcape Committee reported, the total strength of the fighting services in India was 233,801 men, including 68,686 British troops and 144,617 Indian troops.

The corresponding sanctioned strength for 1925-26 is approximately 220,000 men, including 60,831 British troops and 138,000 Indian troops. Certain reductions in troops in Aden have been provided for in the 1925-26 estimates, namely, the withdrawal of a British Pack Battery and the disbandment of the Yemen Battalion, a saving of about Rs. 10 lakhs.

The following comparison may now be made:—

	Rs.	
1922-23, Actuals	54¼	crores.
1923-24, „	56¼	„
1924-25, Revised	56½	„
1925-26, Budget	56¼	„

The similarity of the figures for the last three post-retrenchment years is striking, but it should be noted that in 1925-26 provision has been made for heavy final charges on account of demobilised officers amounting to Rs. 170 lakhs (or nearly a crore more than the revised estimate of 1924-25), for a new charge of Rs. 12½ lakhs on account of printing and stationery now put for the first time against Army Estimates, for Rs. 27 lakhs for customs duty not charged previous to 1924-25 and finally for an additional sum of nearly half a crore for the proposed revision of pay and passage allowances for officers of the Indian Army and the I. M. S. These additional charges far outweigh the advantage obtained from the rate of exchange adopted for the budget of the ensuing year.

5. It is also of interest to compare the established or regular charges of the Army as estimated for 1925-26 with the similar charges in the estimate of the Retrenchment Committee. The figures are as follows:—

Retrenchment Committee's Budget for 1923-24.

	Rs.	
Established charges	59·38	crores.
Demobilised officers	·62	„
	60·00	„
Credit for surplus stores	2·25	„
	57·75	„

Estimates for 1925-26.

	Rs.	
(*a*) Established charges	55	crores.
(*b*) Demobilised officers	1·7	„
(*c*) Building schemes in Waziristan and for the Royal Air Force	·43	„
	57·13	„
Credit for surplus stores	·70	„
Credit for frontier railway, etc.	·18	„
	56·25	„

The charge for demobilised officers should disappear in 1926-27, save for a few lakhs, while the building schemes for the Royal Air Force and at Razmak will be approaching completion. On the other hand, with the exhaustion of surplus stores the credit from that source can no longer be relied upon.

6. The following brief remarks are now for consideration regarding the major heads of the estimates:—

(*a*) *Part A.-I—Maintenance of the Standing Army—*

	Rs.	
1923-24, Accounts	30·6	crores.
1924-25, Revised	28·7	„
1925-26, Estimates	29·26	„

This is the most important head in the estimates. It covers the pay and allowances, including travelling allowances, provisions, animals, clothing, equipment, etc., of the various fighting units constituting the Standing Army in India.

The main cause of the excess over the revised estimate of the current year is the addition, for the first time, of charges for services rendered by the Military Engineering Services for the supply of electricity and water to the various units. This is the result of the further elaboration of the cost accounting system which seeks to charge to each unit the actual cost of its maintenance. A corresponding credit is made to the receipts of the Military Engineering Services. A lump addition of Rs. 40 lakhs has been made for probable expenditure on the revision of pay and allowances (including passages) of officers of the Army for which the proposals have not yet been finally determined. Reductions in several directions have been obtained by a careful revision of *per capita* rates upon which the allowances for provisions, clothing, and equipment, etc., are estimated; while a lump cut of Rs. 20 lakhs has been made under this head in anticipation of further reductions which cannot as yet be definitely made under detailed heads but which appear to be justified by the progress of past actuals. Full credit has been taken for probable shortages in establishment. For example, on 1st January 1925, there was a shortage of nearly 2,000 in British other ranks, of nearly 7,000 in Indian other ranks and of some 14,000 in the Indian Army Reserve. These shortages fluctuate from time to time throughout the year according to trooping arrangements and other causes inherent in the system of Army organisation. There is a saving of Rs. 56 lakhs in payments in England including capitation charges and savings on exchange.

7. (*b*) *Part A.-II—Cost of Educational Establishments and Working Expenses of Hospitals and Depôts—*

	Rs.	
1923-24, Actuals	7·4	crores.
1924-25, Revised	6·9	„
1925-26, Budget	6·7	„

Under this head are recorded the charges connnected with the various subsidiary establishments maintained for the services of the Army in India. These consist chiefly of the cost of military training and education of soldiers, British and Indian; of supervision and working of military hospitals, arsenals and other store depôts, and of the various factories which produce munitions of war, equipment, etc., the cost of the Military Accounts and Audit Offices and other miscellaneous charges. Compared with the original estimate for the current year, savings of Rs. 9 lakhs have been obtained under the heads of education and of Rs. 11 lakhs under hospital charges, mainly due to the improved health of the Army. Provision has also been made for further reductions in the number of officers of the Medical Services. On the other hand, provision has been made for improvements of the pay and passage concessions of the Indian Medical Service (Rs. 5 lakhs) and for services rendered by the Military Engineering

Services for reasons already given. Other variations are mainly due to the extension of the cost accounting system and to the further commercialisation of the factory and depôt accounts. In this connection it may be noted that the cost accounting system in the Army has been much improved with experience, but it appears capable of simplication and further adaptation to the needs of the administrative authorities to whom it must prove of considerable assistance in the estimation and control of expenditure of the various units and formations of the Army.

8 (*c*) *Part A. III—Army Headquarters, Staff of Commands, etc.*—

	Rs.	
1923-24, Actuals	2·07	crores.
1924-25, Revised	2·09	„
1925-26, Budget	2·07	„

The various retrenchments proposed under this head have been carried into effect, but a few reductions remain for consideration during the ensuing year. The effect of reductions has been partly obscured by the transfer of expenditure from other heads of the estimates, but as regards Army Headquarters it will be noticed that there is a reduction of Rs. 2½ lakhs as compared with the recorded expenditure of 1923-24. Provision is made for the new organisation of the Master-General of Supply, the cost of which is met from reductions under the Quartermaster-General's Branch and the Ordnance Branch.

9. (*d*) *Part A.-IV Stock Account*—

This is practically a suspense head intended for the reception of charges connected with the purchase of all varieties of military stores, pending their issue and allocation to the services of the Army concerned. The net debits or credits under the several heads indicate increases or decreases in stock. For the ensuing year, for example, credits are anticipated from consumption of existing stocks of clothing and provisions. It may be observed that surplus stocks will be practically exhausted after next year and further credits cannot be anticipated in the future. A notable feature is the smaller expenditure on purchase of stocks in 1925-26, partly due to lower prices and partly to smaller requirements to complete equipment.

10. (*e*) *Part A.-V—Special Services*—

	Rs.	
1923-24, Actuals	2·5	crores.
1924-25, Revised	1·3	„
1925-26, Budget	1·7	„

The main cause of the increase for next year is the heavy terminal charge for gratuities to surplus officers which will be practically complete with this payment.

11. (*f*) *Part A.-VI—Miscellaneous Charges and Receipts*—

	Rs.	
1923-24, Actuals	21·3	Lakhs.
1924-25, Revised	181·6	„
1925-26, Budget	123·4	„

The charges under this head consist mainly of expenditure incurred in connection with the general movements of troops and stores. Travelling allowances other than those incurred in connection with general movements are debited to the services concerned. The small net expenditure in 1923-24 is due to special accounting adjustments under this head. The reduction in 1925-26, as compared with the current year, is due partly to

smaller provision (Rs. 40 lakhs) for trooping charges based on actuals and partly to adjustment of expenditure under other heads. There is an addition of Rs. 12½ lakhs for stationery and printing now charged for the first time to Army Estimates and a special receipt of Rs. 11 lakhs for the transfer of a frontier railway to the Railway Department as a strategic line.

12. (*g*) *Part A.-VII—Non-effective charges—*

These are generally pensions and rewards for military services and payments to the War Office for the share of retired pay of British services.

The figures are—

	Rs.	
1923-24, Actuals	9·06	crores.
1924-25, Revised	8·76	„
1925-26, Budget	8·57	„

The saving is mainly due to exchange on Home charges but partly to the reduction in the scale of officers' pensions (Rs. 10 lakhs).

13. *Marine—*

	Rs.	
1923-24, Actuals	71·8	Lakhs.
1924-25, Revised	64·5	„
1925-26, Budget	73·6	„

The increase in net expenditure in 1925-26 is mainly due to special provision of Rs. 6 lakhs for replacement of the " Elphinstone " recently lost at sea, while receipts will be less by over Rs. 3 lakhs due to smaller services rendered to other Departments and the absence of special receipts obtained for surplus vessels sold in the current year.

14. *Military Engineering Services—*

	Rs.	
1923-24, Actuals	3,32	Lakhs.
1924-25, Revised	3,83	„
1925-26, Budget	3,06	„

The reduced net provision for 1925-26 is mainly due to a reduction in the grant for new works and a very considerable increase in the receipts resulting from the extension of cost accounting. Charges are now allocated to the various formations for supply of electricity and water and, as already stated, this has increased the expenditure of the fighting and administrative services, arsenals, depôts and hospitals, while a corresponding credit has been taken under the present head.

A new feature is the opening of a suspense account to which will be credited receipts from the disposal of military lands and buildings which have become surplus owing to changes in the conditions which govern the distribution of the Army in India and to other causes. These receipts will be devoted to accelerating the provision of better hospital and barrack accommodation for troops of all classes. For next year an allotment of Rs. 11 lakhs has been made for this purpose from accumulated funds.

15. If Honourable Members should require any further information on the details of the Military Budget, they are invited to obtain it by applying to the Financial Adviser, Military Finance, in person.

DELHI;
The 28th February 1925.

A. F. L. BRAYNE,
Financial Adviser, Military Finance.

APPENDIX II.

PRO FORMÂ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PREFATORY NOTE.

I.—Scope of pro formâ *account.*

The following *pro forma* account, with its supporting statements, exhibits the expenditure, initial and annual, on Delhi and the Delhi Province and also any receipts and savings which form a direct set-off to that expenditure. The account has been prepared in consultation with the Auditor General and carries his approval as regards both its form and its substantial completeness at the present date subject to the qualifications implied in the following prefatory remarks; it will be added to, or amplified later, if experience should show this to be necessary.

2. The main item of the account as regards non-recurring expenditure, is the Delhi project proper, the figures for which appear against item 1 of Part I.—*Initial Outlay*. The principal recurring charge is that representing the expenditure in the new province, which appears as item 1 of Part II—*Annual Expenditure*.

3. The account necessarily exhibits any expenditure occurring under the named heads, without qualification on account of contributory causes. It must, therefore, be clearly understood that the increase of expenditure, including that in the Delhi Province, is not wholly due to the change of Capital. Thus, an increase of the garrison at Delhi on strategic grounds had been already independently and strongly recommended to the Government of India by the Chief of the General Staff and endorsed by His Excellency the Commander-in-Chief in July 1911, before the transfer of the Capital had been officially proposed, and the construction of the accommodation of the troops already there had long been recognised as pressing. Similarly the recent advance in the policy relating to education and sanitation, particularly the latter, would, under any circumstances, have involved increased expenditure in the city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance. The same principle will be applied to the Railway expenditure, *i.e.*, the cost of any remodelling of the railway system which is connected with the constitution of the new Capital will be exhibited in full in the *pro formâ* account. A wholly independent railway requirement, such as the permanent marshalling yard which will eventually replace the temporary yard now in use, will not be shown.

II.—Relation between the pro formâ *account and the regular accounts.*

4. A brief explanation is added below connecting the various items in the *pro formâ* account with the entries in the published accounts and estimates. Some further explanations are also to be found in the account itself and in its supporting statements.

Item 1 of Part I of *pro forma* account.

5. The capital expenditure directly incurred on the construction of the new Imperial Capital at Delhi is shown in the regular accounts under the special head "57—Initial Expenditure on the new Capital at Delhi." The only other item of expenditure which will be recorded in the capital section of the regular accounts is that arising from diversions or re-arrangements of the railway system, which will appear under the head "53—State Railways."

Item 3(*b*), *ibid.*

Item 2, *ibid.*

Item II, *ibid.*

6. The initial expenditure incurred during the years 1911-12 and 1912-13 in connection with the provision of temporary accommodation for the Government of India at Delhi, pending the construction of the new Capital, has been treated, on the advice of the Auditor General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "41—Civil Works". Any non-recurring receipts which may eventually be obtained in connection with these temporary works, *e.g.*, from the sale of lands and buildings when no longer required by the Government of India, will be similarly credited under a special head subordinate to the major head "XXX—Civil Works".

Items 1 and I of Part II of *pro forma* account.

7. The remaining expenditure is mainly brought to account in one of two ways: either, first, as expenditure of the new Province; or secondly as departmental expenditure chargeable to the Department in which it is incurred.

8. The expenditure and receipts appertaining to the *quasi*-provincial administration of the Imperial area are brought to account in the same way as in the case of other minor administrations and are eventually published separately, like the figures for Baluchistan, in an appendix to the Civil Estimates. It will be noted that any grants which may be specially given from Imperial revenues in aid of the Delhi Municipality or other local funds will be brought into the regular accounts and consequently, into the *pro formâ* account also, since they will appear as charges of the Delhi administration.

Items 3 (*a*) and III of Part I of *pro formâ* account.

9. Expenditure which does not appertain to provincial administration is recorded, as in the case of other provinces, under its appropriate departmental head in the regular accounts. Thus expenditure on the land and buildings required for the new Cantonment, and any corresponding receipts, appear under the Army and Military Works heads respectively, under both of which a special Delhi sub-head has been opened. Railway capital outlay has already been referred to. Railway revenue charges and receipts similarly come under the Railway account head. In these cases, the *pro formâ* account necessarily exhibits only initial expenditure and non-recurring receipts, as Military expenditure is not being permanently increased and the influence of the new Capital on the ordinary daily receipts and working expenses of the Railways cannot evidently be satisfactorily isolated. This latter consideration also applies to the case of Postal and Telegraph expenditure, which moreover represents ordinary administrative expenditure of the department, and is relatively insignificant in amount. For these reasons, in the case of this department neither the initial outlay nor the recurring receipts and expenditure have been included.

Items 4 to 7 and I and IV of Part I, and Items 2 and 3 and II to V of Part II of *pro formâ* account.

10. There are also a few items of expenditure and of actual receipt or of definite saving which are not recorded in the accounts of the Delhi Province or in the departmental accounts, but which it is necessary to take into consideration in calculating the expenditure on Delhi and the Delhi Province. Most of these are self-explanatory, but attention may be called to the intended treatment of the sale-proceeds of vacated lands and buildings at Calcutta (if any)

and elsewhere. These will be credited under the major heads "XXXV—Miscellaneous" and "XXX—Civil Works", and the *pro formâ* account will take credit only for actual Imperial receipts. No account will be taken, in the statements themselves, of book transactions, or of the considerable savings obtained from the vacation of rented accommodation, *i.e.*, of relief in respect of rental payments which the Local Government obtains by giving up private buildings previously leased for provincial establishments, and moving the latter into offices formerly occupied by the Government of India. Any reference made to such saving will, therefore, be found in an explanatory footnote. [See Part I, Note 5.] Item 1 of Part I.

11. Outlay on stores and all other expenditure incurred in England under a capital head or as a revenue charge, which can be distinguished as appertaining to the construction of Delhi or to the administration of the Delhi Province, have been included in the *pro formâ* account.

PRO FORMÁ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART I.—INITIAL OUTLAY.

[Figures in thousands of Rupees.]

Expenditure.	Actuals to end of 1923-24.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.	Receipts.	Actuals to end of 1923-24.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
1. DELHI PROJECT: Capital outlay on permanent Delhi chargeable to Head "57" (for details see Statement I-A) . . .	9,56,80	1,45,00	1,45,00	I.—Receipts which may be obtained on account of Imperial buildings vacated by the Government of India or attached offices in consequence of the move (*a*) ‖	19,00	...	...
2. Temporary Delhi* .	54,33	...	...				
3. Initial expenditure of non Civil Departments:—							
(*a*) Military Services†	99,81	5,19	5,13				
(*b*) Railways‡ . .	77,97	13,68	2,49	II.—Non-recurring receipts on account of Temporary Works .	2	...	...
4. Non-recurring grant to the Punjab Government in compensation for expenditure incurred on new headquarters buildings for the Commissionership transferred from Delhi	1,36	...	...	III.—Recoveries on account of land or buildings vacated in the old Cantonment of Delhi . . .	...	...	...
5. Cost of withdrawal to Delhi of Imperial offices previously located at Calcutta or elsewhere	2,03	1,03	35				
6. Special non-recurring monetary concessions to establishments of the Government of India and attached offices on the occasion of their first move to Delhi . . .	6,71	53	50	IV.—Miscellaneous items	8,07	16	16
7. Miscellaneous items§	8,66	72	73				
TOTAL .	12,07,67	1,66,15	1,54,20	TOTAL .	27,09	16	16
Total Expenditure to end of 1925-26 .		15,28,02		Total Receipts to end of 1925-26 . .		27,41	
Net Expenditure to end of 1925-26 .		15,00,61					

* NOTE 1.—The head "Temporary Delhi" has been closed from 1st April 1913, subsequent expenditure being treated as part of the expenditure of the Delhi Province—see Part II of Account.

† NOTE 2.—The expenditure included under item 3 (*a*) is that relating to the formation of the new Cantonment. Its details are as follows:—

	To end of 1923-24.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
Acquisition of land	13,20	...	...
Cost of buildings	77,96	4,76	4,88
Establishment charges . . .	6,60	16	25
Tools and Plant . . .	2,05	27	...
TOTAL .	99,81	5,19	5,13

‡ NOTE 3.—The figures relate to charges for the acquisition of land and outlay on railway facilities at Nowgal Raya and they include transactions on account of Delhi New Capital Railway Works also.

§ NOTE 4.—The expenditure shown against item 7 represents mainly the proportionate cost of the Office of the Deputy Accountant General, Central Revennes, Delhi, and the cost of temporary establishments employed in the Secretariats and Government Central Press in connection with the change of Capital.

‖ NOTE 5.—These heads will record only actual receipts obtained from the sale of the vacated buildings and land. As explained in paragraph 10 of the prefatory note, this procedure has the effect of excluding a substantial true saving in respect of rented accommodation. Thus from 1913-14 to 1923-24 the Government of Bengal, by moving its offices into the vacated Imperial buildings in Calcutta, saved Rs.53,80: partly by being enabled to dispense with private accommodation previously leased, and partly by being relieved from the necessity of renting further accommodation.

(*a*) The amount represents value of premises No. 3 Kailaghat Street sold to E. B. Railway, which was adjusted under XXX.—Civil Works.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of Rupees.]

Expenditure.	Actuals, 1923-24.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.	Receipts.	Actuals, 1923-24.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
1. Expenditure of Delhi Province* . . .	56,25	64,90	61,60	I.—Revenue of Delhi Province* . . .	32,69	31,62	31,97
2. Miscellaneous items .	63	67	96	II.—Saving under Calcutta house allowances*	47	44	44
				III.—Saving under hill journey and travelling allowances and contingencies on account of shorter move of Secretariat and attached offices† . . .	2,50	2,50	2,50
				IV.—Miscellaneous items. . . .	3	3	3
Total Expenditure .	56,88	65,57	62,56				
Net Expenditure .	21,19	30,98	27,62	Total Receipts .	35,69	34,59	34,94

*NOTE 1.—The details of this item are given in Statement II-A.

*NOTE 2.—The figures shown against item II will be subject to increase as additional offices are successively transferred from Calcutta to Delhi.

† NOTE 3.—The figure shown against item III is a minimum figure calculated once for all on the assumption that all offices or portions of offices which previously moved between Calcutta and Simla have subsequently moved regularly between Delhi and Simla. The actual saving throughout has been larger owing to certain establishments which previously moved to Calcutta being retained in Simla throughout the cold weather.

STATEMENT I.-A.

Details of Capital outlay on the Delhi Project working up to the total figures shown against item 1 in Part I of pro forma *account.*

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1923-24.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
A.—Salaries and allowances—			
(*a*) Preliminary Investigation—			
(*i*) Gazetted officers	2,04	...	...
(*ii*) Non-gazetted officers	14	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(*i*) Gazetted officers	67,19	8,86	8,33
(*ii*) Non-gazetted officers	42,90	7,96	8,32
(*c*) Miscellaneous officers (including all others) employed on the Project—			
(*i*) Gazetted officers	4,57	61	41
(*ii*) Non gazetted officers	3,46	28	51
B.—Travelling allowances of Officers and Establishment—			
(*a*) Preliminary Investigation—			
(*i*) Gazetted officers	23	...	...
(*ii*) Non-gazetted officers	2	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(*i*) Gazetted officers	6,07	67	67
(*ii*) Non-gazetted officers	3,41	55	55
(*c*) Miscellaneous officers (including all others) employed on the Project—			
(*i*) Gazetted officers	54	9	9
(*ii*) Non-gazetted officers	28	4	4
C.—Supplies, Services and Contingencies—			
(*a*) Preliminary investigation	51	...	...
(*b*) Public Works and Electrical officers employed on the Project	4,91	64	64
(*c*) Miscellaneous officers employed on the Project	43	1	1
Less on account of Exchange	...	1,04	88
Total A, B and C	1,36,70	20,75	20,45
Deduct—Credits from other heads of accounts	*26,70*	*4,11*	*3,84*
Net Total A, B and C carried over	1,10,00	16,64	16,61

Details of Capital outlay on the Delhi Project working up to the total figures shown against item I in Part I of pro formâ *account*—contd.

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1923-24.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
Brought forward	1,10,00	16,64	16,61
D.—Works Expenditure—			
(i) Buildings—			
(*a*) Government House	51,36	15,50	30,00
(*b*) Secretariats	91,37	24,50	30,00
(*c*) Other buildings	1,61,23	35,24	52,19
(*d*) Legislative Chambers	20,50	17,35	25,00
(*ii*) Communications	23,90	3,29	6,00
(*iii*) Miscellaneous Public Improvements	11,31	3,43	5,00
(*iv*) Electric Light and Power	37,59	16,80	4,00
(*v*) Irrigation	37,02	2,55	1,00
(*vi*) Sanitation including storm-water drains, sewerage and sewage disposal, water-supply, and conservancy	34,50	14,00	16,00
(*vii*) Tools and plant	3,19	4,10	3,00
(*viii*) Stock and Suspense	80,07	—19,60	—21,14
(*ix*) Miscellaneous including surveys camps and general preliminary expenditure connected with works	88,54	5,00	—3,00
(*x*) Maintenance during construction	55,29	12,00	12,99
Railway diversion	16,41	—2,36	—54
E—Acquisition of land taken up for the Project	33,63	6	...
F.—Other Miscellaneous expenditure	6	...	...
Reserve for fluctuations in Exchange	...	1,50	90
Minus Reserve	...	...	48,01
Deduct—Receipts on Capital Account	*29,17*	*5,00*	*5,00*
TOTAL	9,56,80	1,45,00	1,45,00

STATEMENT II-A.

Revenue and Expenditure of Delhi Province.

[Figures in thousands of Rupees.]

RECEIPTS.				EXPENDITURE.			
Major heads of Account.	Actuals, 1923-24	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.	Major heads of Account.	Actuals, 1923-24.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
I.—Customs	1,48	1,48	1,48	2. Taxes on Income	18	24	26
II.—Taxes on Income	8,27	9,60	9,60	5. Land Revenue	36	40	39
IV.—Opium	30.	35	...	6. Excise	11	11	49
V.—Land Revenue	3,33	3,04	3,34	7. Stamps	8	12	13
VI.—Excise	4,41	4,42	4,83	9. Registration	9	9	9
VII.—Stamps	7,40	7,25	7,26	15. Miscellaneous Irrigation Expenditure	28	43	20
IX.—Registration	47	48	48	22. General Administration	3,25	3,17	3,34
XIV.—Works for which no capital accounts are kept	5	4	4	23. Audit (a)	50	48	53
XVI.—Interest	3	18	18	24. Administration of Justice	1,65	1,74	1,74
XVII.—Administration of Justice	41	48	48	25. Jails and Convict settlements	1,14	1,40	1,22
XVIII.—Jails and convict settlements	23	23	21	26. Police	7,78	7,30	8,21
XIX.—Police	11	16	16	28. Ecclesiastical	35	30	25
XXI.—Education	18	18	18	29. Political	1	1	1
XXII.—Medical	6	6	6	30. Scientific Departments	1	1	1
XXVI.—Miscellaneous Departments	3	4	4	31. Education	5,25	5,23	5,97
XXX.—Civil works	2,59	2,50	2,50	32. Medical	3,38	3,39	4,94
XXXIII.—Receipts in aid of Superannuation,	5	6	6	33. Public Health	44	69	79
XXXIV.—Stationery and Printing	6	7	7	34. Agriculture	19	18	18
XXXV.—Miscellaneous	3,26	1,00	1,00	35. Industries	5	3	5
				38. Currency	4	4	4
				41. Civil Works	21,48	28,04	21,80
				41. Civil Works—Viceregal Estates Delhi	1,58	1,68	1,68
				44. Territorial and Political Pensions	48	48	48
				45. Superannuation, allowance and pensions	2,02	2,45	2,11
				46. Stationery and Printing	6	7	5
				47. Miscellaneous	3,19	4,99	4,78
				Refunds	2,30	1,88	1,86
TOTAL	32,09	31,62	31,97	TOTAL	56,25	64,90	61,60

(a) Excludes proportionate cost of the office of the Deputy Accountant General, Central Revenues, Delhi, debitable to Part I.

APPENDIX III.

COMMERCIAL AND FINANCIAL STATISTICS.

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COMMERCIAL AND

TABLE I—

		1916-1917.	1917-1918.	Item Number.
Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works, Telegraphs and the Delhi Capital not charged against Revenue—				
Surplus	R	11,31,72,550	12,13,06,110	1
Deficit	R	...	...	2
Capital Expenditure on Railways and Irrigation works not charged against Revenue	R	3,57,66,465	5,01,66,825	3
Capital charge involved in the purchase of Railways	R	...	...	4
Capital outlay on the Indian Postal and Telegraph Department not charged against Revenue	R	...	...	5
Initial Expenditure on New Capital at Delhi	R	36,64,455	37,58,145	6
India's Financial Contribution to the War	R	...	1,50,00,00,000	7
Net Public Debt incurred	R	11,56,72,620	1,73,76,00,000	8
Net Public Debt incurred, including Capital transactions with Railway Companies	R	11,20,52,367	1,72,94,94,174	9
Value of commodities exported, excluding Gold and Silver	R	2,47,37,70,000	2,44,00,40,000	10
Value of commodities imported, excluding Gold and Silver	R	1,60,24,90,000	1,64,35,50,000	11
Excess of Exports over Imports, excluding Gold and Silver	R	87,12,80,000	80,54,90,000	12
Net Imports of Gold	R	13,33,50,000	25,17,80,000	13
Ditto of Silver	R	18,80,00,000	19,04,20,000	14
TOTAL NET IMPORTS OF GOLD AND SILVER	R	32,03,50,000	44,22,00,000	15
Excess of Exports over Imports including Gold and Silver	R	55,09,30,000	36,32,90,000	16
Net Imports of Currency Notes*	R	...	...	17
Excess of Exports over Imports including Gold, Silver and Currency Notes	R	55,09,30,000	36,32,90,000	18
Secretary of State's Bills sold (Rupees)	R	§49,04,34,364(a)	§ 50,63,67,176 (a)	19
Sterling Equivalent received	£	§32,998,095 (a)	§ 34,880,682 (a)	20
Silver coined at the Indian Mints	R	30,77,07,326	23,87,07,287	21
Maximum price in pence of an oz. troy standard Silver in London		$\frac{7}{38}\frac{7}{16}$ (13th Feby. 1917).	55 (21st to 24th Sept. 1917).	22
Minimum price in pence of an oz. troy standard Silver in London		28¼ (10th July 1916).	36 $\frac{9}{16}$ (13th to 17th April 1917).	23
Average Exchange upon Secretary of State's Bills sold per rupee		1s. 4·148d.	1s. 4·536d.	24

*Recorded from
†Represents net
§Includes remittances of the
(a) Includes remittance of the
(b) Figures for 11 months
(c) Net
‡ Net exports

Item Number.	1918-1919.	1919-1920.	1920-1921.
1	...	...	...
2	5,73,06,135	23,65,28,825	26,00,85,276
3	7,64,13,315	14,42,99,228	26,55,72,106
4	...	...	...
5	...	...	...
6	42,86,895	50,35,427	1,25,75,011
7	...	...	...
8	11,47,30,575	8,90,70,517	52,34,07,498
9	10,22,96,861	8,22,22,396	51,76,91,284
10	2,55,30,90,000	3,96,02,20,000	2,67,76,80,000
11	1,88,56,10,000	2,21,70,20,000	3,47,57,40,000
12	66,74,70,000	1,14,32,00,000	(c)—79,80,60,000
13	†—5,56,40,000	35,33,00,000	2,10,80,000
14	67,91,90,000	29,22,90,000	,48,40,000
15	62,35,50,000	64,55,90,000	8,59,20,000
16	4,39,20,000	49,76,10,000	(c)—88,39,80,000
17	...	...	...
18	4,39,20,000	49,76,10,000	(c)—88,39,80,000
19	(a)28,65,41,000	34,54,98,000	...
20	(a) 20,946,314	31,226,219	...
21	52.05,35,309	37,72,19,758	3,41,30,039
22	50 (28th March 1919).	89½ (11th Feb. 1920).	72½ (7th April 1920).
23	45½ (8th to 10th Apl. 1918).	48 9/16 (4th April and 6th May 1919).	30½ (5th March 1921).
24	1s. 5·544d.	1s. 9·691d.	...

1921-1922.	1922-1923.	1923-1924.	Item Number.
...	...	2,38,99,758	1
27,65,01,700	15,01,76,302	...	2
22,97,57,115	18,45,67,524	20,80,11,576	3
...	...	...	4
81,61,617	65,62,006	75,21,560	5
1,35,27,418	1,64,79,432	1,54,73,652	6
...	...	...	7
49,19,30,108	25,61,19,053	17,67,00,540	8
49,75,33,002	25,26,11,589	16,64,05,856	9
2,48,65,80,000	3,16,07,20,000	3,63,37,60,000	10
2,82,59,80,000	2,46,19,20,000	2,37,18,30,000	11
(c)—33,94,00,000	69,88,00,000	1,26,19,30,000	12
†—2,86,40,000	41,19,10,000	29,18,70,000	13
15,09,60,000	18,35,40,000	18,69,80,000	14
12,23,20,000	59,54,50,000	47,88,50,000	15
(c)—46,17,20,000	10,33,50,000	78,30,80,000	16
...	1,01,70,000	1,64,60,000	17
(c)—46,17,20,000	9,31,80,000	76,66,20,000	18
...	3,75,00,000	12,68,50,000	19
...	2,57[illegible],025	8,738,704	20
1,60,86,638	62,75,446	50,00,791	21
43¾ (27th Sept. 1921).	37¾ (22nd May 1922).	34 1/16 (3rd and 5th Jan., 13th and 14th Feb. 1924).	22
32¾ (28th Feb. & 2nd Mar. 1922).	30¾ (15th Dec. 1922).	30 11/16 (13th July 1923).	23
...	...	...	24

dix II.

FINANCIAL STATISTICS.

MISCELLANEOUS.

Item Number.	1924-1925, Revised.	1925-192 , Budget.	
			Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works, Telegraphs and the Delhi Capital not charged against Revenue—
1	3,00,58,000	24,13,000	Surplus
2	...	...	Deficit
3	12,85,16,000	23,00,27,000	Capital Expenditure on Railways and Irrigation Works not charged against Revenue
4	...	3,43,33,000	Capital charge involved in the purchase of Railways
5	1,01,08,000	2,13,53,000	Capital outlay on the Indian Postal and Telegraph Department not charged against Revenue
6	1,37,00,000	1,55,00,000	Initial Expenditure on new Capital at Delhi
7	...	...	India's Financial Contribution to the War
8	27,03,03,000	8,95,14,000	Net Public Debt incurred
9	26,16,000	4,10,51,000	Net Public Debt incurred, including Capital transactions with Railway Companies
10	(b) 3,53,97,00,000		Value of commodities exported, excluding Gold and Silver
11	(b) 2,32,66,30,000		Value of commodities imported, excluding Gold and Silver
12	(b) 1,21,31,60,000		Excess of Exports over Imports, excluding Gold and Silver
13	(b) 55,60,10,000		Net Imports of Gold
14	(b) 18,02,10,000		Ditto of Silver
15	(b) 73,62,20,000		TOTAL NET IMPORTS OF GOLD AND SILVER
16	(b) 47,69,40,000		Excess of Exports over Imports including Gold and Silver
17	(b) ‡ —3,70,000		Net Imports of Currency Notes*
18	(b) 47,73,10,000		Excess of Exports over Imports, including Gold, Silver and Currency Notes
19	9,05,00,000		Secretary of State's Bills sold (Rupees)
20	67,99,162		Sterling Equivalent received
21	33,28,125		Silver coined at the Indian Mints
22	$36\frac{1}{16}$ (9th Oct. 1924).		Maximum price in pence of an oz. troy standard Silver in London.
23	31½ (29th Dec. 1924).		Minimum price in pence of an oz. troy standard Silver in London.
24	...		Average Exchange upon Secretary of State's Bills sold per rupee.

April 1922.
exports of gold.
Gold Standard Reserve.
Currency Department.
(April to February).
Imports.

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COMMERCIAL AND

TABLE I—

	1916-1917.	1917-1918.	Item Number.
Average of the daily telegraphic transfer rates from Calcutta on London	...	...	25
Rate of Exchange for the adjustment of transactions between the Indian and Imperial Governments . .	1s. 4d.	1s. 4d. and 1s. 5d.	26
Maximum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta	8 (1st to 13th April 1916 and 9th Nov. 1916 to 21st Feb. 1917).	6 (1st April to 6th Sept. 1917 and 3rd Jany. to 31st March 1918).	27
Minimum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta	5 (22nd June to 13th Sept.).	5 (7th Sept. 1917 to 2nd Jany. 1918).	28
Maximum rate of discount at the Bank of England .	6 (13th July 1916 to 17th Jany. 1917).	5½ (2nd to 4th April, 1917).	29
Minimum ditto ditto .	5 (1st April to 12th July 1916).	5 (5th April 1917 to 31st March 1918).	30
Maximum Government balances at the Imperial Bank of India . . . . . R	10,11,66,000 (Mar.)	22,05,24,000 (June)	31
Minimum Government balances at the Imperial Bank of India . . . . . R	4,84,33,000 (May)	7,37,69,000 (Nov.)	32
Maximum price in Calcutta of 5 per cent. War Loan 1929—47	...	...	33
Minimum price in Calcutta of 5 per cent. War Loan, 1929—47	...	...	34
Maximum price in Calcutta of 5 per cent. income-tax free loan, 1945—55	...	...	35
Minimum price in Calcutta of 5 per cent. income-tax free loan, 1945—55	...	...	36
Maximum price in Calcutta of Government 3½ per cent. Rupee Securities (Guaranteed)	82 (7th and 11th to 14th April 1916).	70 (8th to 14th Sep. and 31st Oct. 1917 to 17th Feb. 1918).	37
Minimum price in Calcutta of Government 3½ per cent. Rupee Securities (Guaranteed)	69 (22nd Feb. to 2nd March and 20th to 31st March 1917).	67 (20th June to 24th Augt. 1917).	38
Maximum price in Calcutta of 3 per cent. Rupee Securities	70 (5th to 20th April 1916).	60 (6th to 14th Sep. and 31st Oct. to 16th March 1918).	39
Minimum price in Calcutta of 3 per cent. Rupee Securities	59 (22nd Feb. to 2nd March and 20th to 31st March 1917).	57 (20th June to 24th Augt. 1917).	40

Item Number.	1918-1919.	1919-1920.	1920-1921.
25	...	...	1s. 8·66d.
26	1s. 5d. and 1s. 6d.	1s. 6d., 1s. 8d., 2s. 4d. and 2s. 9d.	2s. 8d., 2s. 4d., 2s. 2¼d., 2s., 1s. 11d., 1s. 10½d., 1s. 8½d., 1s. 5½d., 1s. 6d. & 1s. 4¼d.
27	7 (16th Jan. to 26th Mar. 1919).	7 (12th to 31st Mar. 1920).	7 (1st Apl. to 9th June 1920, 18th Nov. 1920 to 2nd Mar. 1921).
28	5 (23rd May to 6th Nov. 1918).	5 (5th June 1919 to 14th Jan. 1920).	5 (1st July to 3rd Nov. 1920).
29	5 (1st Apl. 1918 to 31st Mar. 1919).	6 (6th Nov. 1919 to 31st Mar. 1920).	7 (15th April 1920 to 31st Mar. 1921).
30		5 (1st April 1919 to 5th Nov. 1919).	6 (1st to 14th April 1920).
31	18,60,47,000 (Sept.)	18,26,33,000 (Feb.)	20,38,41,000 (July)
32	6,54,89,000 (Apl.)	7,04,52,000 (Sept.)	5,84,98,000 (Feb.)
33	93	95	90
34	90	90	77
35	...	95½ to 96	95½ to 96
36	...		78½
37	81 (7th to 21st Nov. 1918).	71 (1st April to 17th May 1919).	60 (1st to 16th April 1920 and 5th to 15th January 1921).
38	65 (3rd May to 24th June 1918).	60 (27th Feb. to 31st Mar. 1920).	52 (1st Nov. to 22nd Dec. 1920).
39	69 (5th to 22nd Nov. 1918).	62 (1st April to 17th May 1919).	50 (1st April to 5th Oct. 1920 and 5th to 15th January 1921).
40	58 (11th Apl. to 24th June 1918).	50 (27th Feb. to 31st Mar. 1920).	42 (1st Nov. to 22nd Dec. 1920).

1921-1922.	1922-1923.	1923-1924.	Item Number.
1s. 3·85d.	1s. 3·76d.	1s. 4·46d.	25
1s. 3½d., 1s. 3¾d., 1s. 3¾d., 1s. 4d., 1s. 4¼d., 1s. 5d., and 1s. 5¼d.	1s. 3½d., 1s. 3¾d., 1s. 3¾d., 1s. 4d., and 1s. 4¼d.	1s. 4d., 1s. 4¼d., 1s. 4¾d., 1s. 5d., 1s. 5¼d.	26
8 (16th Feb. to 31st Mar. 1922).	8 (1st to 26th April 1922 and from 11th Jan. to 31st March 1923).	9 (14th Feb. 1924 to 31st March 1924).	27
5 (2nd June to 14th Dec. 1921).	4 (6th July to 25th Oct. 1922).	4 (28th June to 14th Nov. 1923).	28
7 (1st Apl. to 1st May 1921).	4¼ (1st to 12th April 1922).	4 (since 5th July 1923).	29
4¼ (16th Feb. to 31st March 1922).	3 (13th July 1922 to 31st March 1923).	3 (1st April to 4th July 1923)	30
25,87,46,000 (31st July).	33,19,07,000 (28th July).	29,74,54,000 (20th July).	31
5,34,64,000 (18th Nov.).	8,22,54,000 (10th Nov.).	6,22,69,000 (6th Nov.)	32
87	88—8	93—10	33
78	81—6	87—12	34
89	93—8	98—14	35
80	87	93—2	36
62 (30th & 31st May 1921).	61—4 (22nd and 23rd March 1923).	67—3 (8th Mar. 1924.)	37
55·10 (from 3rd March 1922).	55—8 (1st to 17th April 1922).	61 (3rd to 5th April 1923).	38
53 (31st May & 1st June 1921).	52—8 (22nd and 23rd March 1923).	57—12 (8th Mar. 1924).	39
47 (1st to 4th April 1921).	47—12 (1st to 18th April 1922).	51—14 (3rd to 5th April 1923).	40

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FINANCIAL STATISTICS—*contd.*

MISCELLANEOUS—*contd.*

Item Number.	1924-1925, Revised.	1925-1926, Budget.	
25	1s. 5⅛*d.* (estimate).		Average of the daily telegraphic transfer rates from Calcutta on London.
26	1s. 4⅞*d.*, 1s. 6*d.*, 1s. 5⅛*d* 1s. 5⅛*d.*, 1s. 6*d.*		Rate of Exchange for the adjustment of transactions between the Indian and Imperial Governments.
27	9 (1st April to 9th April).		Maximum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta.
28	4 (31st July to 20th Augt. 1924).		Minimum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta.
29	5 (5th March).		Maximum rate of discount at the Bank of England.
30	4 (1st April 1924 to 4th March 1926).		Minimum ditto ditto.
31	31,02,80,000 (29th Aug.).		Maximum Government balances at the Imperial Bank of India.
32	7,47,75,000 (31st Dec.)		Minimum Government balances at the Imperial Bank of India.
33	91—10		Maximum price in Calcutta of 5 per cent. War Loan 1929—47.
34	92—14		Minimum price in Calcutta of 5 per cent. War Loan 1929—47.
35	99—8		Maximum price in Calcutta of 5 per cent. income-tax free loan, 1945—55.
36	97		Minimum price in Calcutta of 5 per cent. income-tax free loan, 1945—55.
37	68 -6 10th July,		Maximum price in Calcutta of Government 3½ per cent. Rupee Securities (Guaranteed).
38	62—8 18th September.		Minimum price in Calcutta of Government 3½ per cent. Rupee Securities (Guaranteed).
39	58—10 (20th July).		Maximum price in Calcutta of 3 per cent. Rupee Securities.
40	53—8 (18th September).		Minimum price in Calcutta of 3 per cent. Rupee Securities.

Appen

COMMERCIAL AND

TABLE I—

	1916-1917.	1917-1918.	Item Number.
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts . ₹	8,76,76,000 (Apl.)	8,06,05,000 (Apl.)	41
Minimum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts . ₹	8,30,42,000 (Mar.)	7,47,56,000 (Mar.)	42
Maximum price in London of 3½ per cent. (Rupee Securities in Gold)	No quotation.		43
Minimum price in London of 3½ per cent. (Rupee Securities in Gold)		52	44
Maximum price in London of India 3½ per cent. Stock .	60⅝	44⅛	45
Minimum ditto ditto .	62⅛	60⅜	46
Maximum price in London of India 3 per cent. Stock .	60⅛	61¼	47
Minimum ditto ditto .	55¼	60⅛	48
Maximum price in London of India 2½ per cent. Stock .	57⅛	53	49
Minimum ditto ditto	47	50	50
Maximum price in London of 7 per cent. Stock . .	...	45⅛	51
Minimum ditto ditto . .	...	...	52
Maximum price in London of 5½ per cent. Stock . .	...	...	53
Minimum ditto ditto . .	...	...	54
Maximum price in London of 4½ per cent. Stock .	...	...	55
Minimum ditto ditto . .	...	...	56
Maximum Government Paper Currency outstanding ₹	86,37,52,000 (Mar.)	11,47,87,000 (Oct.)	57
Minimum ditto ditto . ₹	65,46,90,000 (Apl.)	82,72,35,000 (Apl.)	58
Number of Post Office Savings Banks	10,421	10,975	59
Number of accounts in Post Office Savings Banks . .	1,647,419	1,637,600	60
Amount deposited in Savings Banks . . . ₹	16,50,53,401	16,58,46,470	61
Average of each deposit	100·73	101·27	62
Net addition to deposits . . . . . ₹	1,27,40,884	−1,06,931	63

Item Number.	1918-1919.	1919-1920.	1920-1921.
41	8,17,24,000 (Mar.)	8,16,74,000 (Apl.)	6,65,19,000 (Apl.)
42	7,34,70,000 (July)	7,43,58,000 (Dec.)	6,13,12,000 (Sept.)
43	54	74	63¾
44	44	49½	33½
45	74	69¾	61
46	62	54⅛	51⅛
47	64	60½	53
48	53¼	47½	43½
49	53⅛	50¾	43
50	44¼	40	37⅛
51	...	...	...
52	...	...	...
53	...	...	...
54	...	...	...
55	...	...	...
56	...	...	...
57	1,53,46,48,000 (Mar.)	1,85,14,79,000 (Jan.)	1,70,73,89,000 (Apl.)
58	1,05,96,05,000 (Apl.)	1,53,72,07,000 (Apl.)	1,57,62,82,000 (Sept.)
59	10,587	10,670	10,713
60	16,77,407	1,760,442	18,77,957
61	18,82,44,749	21,34,84,628	22,86,21,716
62	112·22	121·26	121·73
63	2,23,98,279	2,52,32,787	1,51,37,088

1921-1922.	1922-1923.	1923-1924.	Item Number.
7,8[illegible],08,000 (Feb.)	10,50,48,000 (Nov.)	10,80,92,000 (Oct.)	41
6,36,30,000 (Apl.)	9,68,10,000 (May)	10,06,94,000 (Mar.)	42
42½	39	45	43
34½	34	39	44
63½	69½	72½	45
55½	62½	61½	46
55½	59½	62½	47
47½	53½	52½	48
46½	50½	52½	49
39½	44½	44½	50
108½	119½	124	51
102½	108	107½	52
94½	102½	105	53
89½	93½	99	54
...	88½	93	55
...	83½	82½	56
1,79,71,40,000 (Oct).	1,82,26,25,000 (Aug.).	1,86,18,98,000 (Feb.)	57
1,67,31,85,000 (Apl.).	1,71,76,07,000 (Apl).	1,71,23,35,000 (May.)	58
10,758	10,730	10,535	59
19,58,324	20,43,502	20,89,314	60
22,26,24,825	23,19,98,761	24,78,83,170	61
113·68	113·52	118·64	62
—59,96,891	93,73,936	1,58,84,409	63

dix II.

FINANCIAL STATISTICS—*concld.*

MISCELLANEOUS—*concld.*

Item Number.	1924-1925, Revised.	1925-1926, Budget.	
41	10,20,98,000 (Apl.)		Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts.
42	9,72,80,000 (Dec.)		Minimum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts.
43	49		Maximum price in London of 3½ per cent. (Rupee Securities in Gold).
44	45		Minimum price in London of 3½ per cent. (Rupee Securities in Gold).
45	63¾		Maximum price in London of India 3½ per cent. Stock.
46	63		Minimum ditto ditto.
47	59		Maximum price in London of India 3 per cent. Stock.
48	54		Minimum ditto ditto.
49	49		Maximum price in London of India 2½ per cent. Stock.
50	45		Minimum ditto ditto.
51	115¼		Maximum price in London of 7 per cent. Stock.
52	105		Minimum ditto ditto.
53	103½		Maximum price in London of 5½ per cent. Stock.
54	100		Minimum ditto ditto.
55	89⅝		Maximum price in London of 4½ per cent. Stock.
56	85½		Minimum ditto ditto.
57	1,81,33,42,000 (Apl.)		Maximum Government Paper Currency outstanding.
58	1,72,49,20,000 (June)		Minimum ditto ditto.
59			Number of Post Office Savings Banks.
60			Number of accounts in Post Office Savings Banks.
61			Amount deposited in Savings Banks.
62			Average of each deposit.
63			Net addition to deposits.

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India Office,
19th July, 1926.

A. HIRTZEL,
Under Secretary of State for India.

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GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

BUDGET FOR 1926-27.

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PART I.

RAILWAY BUDGET.

Speech of the Railway Member

introducing the

Railway Budget for 1926-27.

INTRODUCTORY.

In placing the Railway Budget for 1926-27 before the House, I have very few preliminary remarks to make, but I think, I can claim that in one point at any rate the Budget I am presenting is an improvement on its predecessor. The preparation of the Budget last year followed close upon the convention agreed upon between the Assembly and the Government. We had first to work out at high pressure the changes in the procedure and the form of the Budget necessitated by the new arrangement, and the discussion of the actual estimates with the Standing Finance Committee for Railways perforce had to be rather hurried. This year we have been able to do better. The proceedings of the Standing Finance Committee for Railways have already been circulated to Honourable Members, and I have no doubt that they have been studied with that sedulous industry which is so characteristic a feature of public men in India. Fourteen meetings of the Committee have already been held in 1925-26, and I note that Mr. Sim summoned these meetings in places so far apart as Calcutta, Bombay, Simla and Delhi. I note also that the Agents of three important railways were invited to attend meetings of the Committee held at their head-quarters and by supplying further information and local details regarding particular projects materially assisted the Committee in arriving at their decisions. The proceedings of these meetings fill 7 volumes and cover 470 pages of print, and I know that I shall have the whole House with me when I say how grateful we are to Mr. Sim and to the members of the Standing Finance Committee for their labours and for their public spirited devotion to duty. Actual budget work began in earnest in November last. In November and December the Committee examined the Capital programme of each Railway. In January the Budget and a preliminary draft of the Budget Memorandum were placed before them and were subjected to close scrutiny for 3 days. We have made it our aim to take the Standing Finance Committee into our fullest confidence, and it gives me great pleasure to acknowledge that in return we have received great assistance in the framing of our Budget. And the result is that the Budget I am presenting to-day has passed through the scrutiny of a Committee composed almost entirely of non-official Members of the House. Each demand, indeed, has received the approval of that Committee, and I am optimistic enough to believe that this fact will facilitate the passage of the Budget through the House. Criticism, of course, we shall get. But in meeting that criticism I confidently expect to receive doughty assistance in debate from the members of the Standing Finance Committee for Railways. Hitherto, the defence of the Railway Budget has fallen almost entirely on the shoulders of the few officials in this House who happen to be specially connected with Indian Railways. But from now onwards I hope that Honourable Members who attack the Budget, at any rate on

the financial side, will find themselves up against other Honourable Members, on the same benches as themselves, who in the Standing Finance Committee for Railways have assisted to frame the Budget. I go further still. I think I may legitimately look forward to the time when the actual estimates, as in England, will ordinarily be accepted as a matter of course by the House, and when the voting of the demands will be regarded mainly as an opportunity of raising discussions on questions of policy and matters of general interest. The House has its guarantee of economy in the fact that we have to pay not only our interest charges but a contribution in addition, and that anything we can make in excess of our charges goes to our own reserves.

2. Before I proceed further, I wish to repeat the appeal I made last year. Last year Honourable Members when they gave notice of reductions added a few words to indicate what subject they wished to discuss. The procedure was of great assistance to us, and I hope that it will again be adopted this year.

3. I propose without further ado to come to figures, and I shall arrange my speech much on the same lines as last year. That is to say, I propose rapidly to review the revenue estimates both of the current year and of the year 1926-27. I shall not go into detail. Full explanations of the figures are given both in the Budget Memorandum and in the footnotes to the Demands for Grants and next week the House will have ample opportunities for asking for further information on particular points. My purpose in this speech is to give the House a general idea of the financial results of our Railway property. I will also deal briefly with our Capital programme, and finally I shall have some remarks to make of a more general nature.

Financial Results of 1924-25.

4. I wish to begin my review by saying just a few words about the revenue results of 1924-25. The House is already aware that it was a very prosperous year for Indian Railways. When I made my Budget speech last year, we expected to gain from commercial lines 11·25 crores. We did, however, even better than we expected, mainly owing to phenomenally good earnings in February and March, and, in the event, the actual gain from commercial lines turned out to be 14¾ crores, representing a return on the capital at charge of State lines of 5·85 per cent. This improvement in receipts affected our payments to General Revenues under the convention, and also, of course, the amount available for transfer to Railway Reserves. Honourable Members are familiar with the convention, and I will not go into details. We anticipated last year that our contribution to General Revenues for 1924-25 would be 685 lakhs gross or 564 lakhs net (that is, after deducting the loss on strategic lines). But actually our contribution was 799 lakhs gross and 678 lakhs net. Similarly, instead of placing to Railway Reserves 410 lakhs as we expected we transferred to Reserves a sum of 638 lakhs.

Revised Estimate for 1925-26.

5. Those I think are very pleasing figures, and I am sorry that our revised estimate of the current year does not make quite as satisfactory a showing. The House will remember that on commercial lines we budgetted for gross receipts amounting to 101·34 crores and for expenses amounting to 90·54 crores. That is to say, we budgetted for a net gain from commercial lines of 10·80 crores. The Revised estimate of our

net gain is 10·45 crores, or only 35 lakhs less than the budget figure, but the other figures have undergone considerable change. We now expect our gross receipts from commercial lines to be 99·81 crores, a decrease of 153 lakhs compared with the budget figure, and our working expenses and interest charges to be 89·36 crores or 118 lakhs less than we provided in the budget.

Comments on the Revised Estimate.

6. The House will no doubt want to know briefly why our gross receipts are 153 lakhs less than we anticipated. I must first explain, however, that the figure of 153 lakhs is a net figure. We expect a gain of 26 lakhs under the heads of interest on our balances and the Government share of profits from subsidised Companies, and our estimate of gross traffic receipts is really down by as much as 179 lakhs compared with the Budget. But this figure of 179 lakhs is again a net figure. In coaching traffic we have done better than we expected, and the drop in earnings has been entirely on goods traffic. Indeed, the Budget Memorandum shows that we expect our earnings from goods traffic to be down by nearly 2½ crores. I do not know whether the House expects from me any explanation why this is so. The only general explanation I can give is the truism that, in the words of the Acworth Committee, " Railway earnings vary abruptly from time to time in accordance with harvest results and trade fluctuations ".

That is such a commonplace that it is hardly worth saying, but I think that it would interest the House if I take two concrete instances and show, in terms of actual loadings, exactly what a bad harvest or depression in any particular trade means to a Railway. When I made my budget speech last year, we had high hopes of a really good wheat crop. In 1923-24 the wheat crop had yielded 9½ million tons. At the end of January 1925, it was reported that the area planted with wheat exceeded the area planted at the same time in 1924 by 1,400,000 acres, and we hoped for a very big crop. But unfavourable weather conditions set in and in the event the final forecast showed a crop nearly a million tons less than in the preceding year. In other words, these unfavourable weather conditions wiped out almost the whole of our exportable surplus. In the 9 months ending December last, exports of wheat from Karachi were only 154,000 tons. In the 9 months ending December 1924, they were 737,000 tons; exports of barley similarly fell away. The North Western Railway is the great wheat railway of India, and the disappointing character of the wheat harvest is reflected in our Railway returns. Between the 1st April 1925 and the 23rd January last, we loaded on the North Western Railway 87,789 wagons with grain and pulse, or approximately 66,000 wagons less than we loaded in the corresponding period of last year. It is not surprising therefore that we expect goods earnings on the North Western Railway to be down by 134 lakhs compared with the budget estimate. Let me give another instance taken from another Railway, the East Indian. This Railway, of course, is the coal railway of India. This year has been a year of depression in the coal industry, and we see the effects in our statistics of loadings. Taking the same period for the purpose of comparison, namely, 1st April to 23rd January, I find that this year we loaded 476,000 wagons with coal on the East Indian Railway against 526,000 wagons last year. In view of these figures relating to two of our greatest trades, I think that we may count ourselves fortunate in that our revised estimate of goods earnings has not had to be placed at a much lower figure.

7. I have said that we expect our gross expenditure to be less by 118 lakhs than the budget figure. It is made up partly of working expenses, partly of miscellaneous expenditure and partly of interest charges. The decrease in interest charges is counterbalanced by an equivalent increase in miscellaneous expenditure, leaving the net reduction of 118 lakhs entirely under working expenses. The reduction is mainly due to the facts that for reasons fully explained in the proceedings of the Standing Finance Committee we have been unable to utilise the provision made for automatic couplers and that we expect to spend only 25 lakhs of the special provision of 50 lakhs made for repairs to rolling stock. On the other side of the account there is the special provision of Rs. 37 lakhs for the extension of the Lee Commission benefits to officers of the East Indian Railway, the Great Indian Peninsula and the Company Railways. The supplementary demand for this sum was rejected by the House a few days ago by 1 vote. It is now my duty to announce that the Governor General in Council has restored the demand under the provisions of Section 67A of the Government of India Act.

Contribution for 1925-26.

8. The net result is that we expect to have a surplus of 10·45 crores. Under the convention, our contribution this year, like our contribution last year, is based on the actuals of the year 1923-24. One per cent. on the capital at charge in the year 1923-24 *plus* 1/5th of the surplus profits of that year represents like last year a sum of 630 lakhs. From this sum, however, has to be deducted the loss on the working of strategic lines in 1923-24, namely, 121 lakhs, and the net contribution is 509 lakhs. Now as I have just said, our revised estimate of our gain from commercial lines is 10·45 crores. The loss this year on strategic lines is 168 lakhs. The amount for disposal therefore is 877 lakhs. From this amount we deduct the contribution of 509 lakhs, and there is a balance of 368 lakhs. The excess over 3 crores is 68 lakhs, and under the convention 1/3 of this goes to General Revenues. The final result therefore is that we expect to transfer to our Reserves 345 lakhs and to make a contribution to General Revenues of 532 lakhs. But I would beg the House to observe that this figure is a net figure. The general taxpayer is really taking from commercial lines 653 lakhs. Our net contribution of 532 lakhs is only 16 lakhs less than the amount Sir Basil Blackett budgetted for, and I would here pause to point out one advantage which we derive from the stabilisation of our contribution to General Revenues. When last November, Sir Basil Blackett was considering what effect the loss of the Cotton Excise revenue would have on our finances not only this year but also next year, he knew within a few lakhs exactly what he would receive in either year from the Railways, and I think that he will bear me out when I say that our announcement on December 1st last was very greatly facilitated by the stabilisation of the contribution to General Revenues resulting from the convention in regard to the separation of Railway Finance from General Finance.

Budget Estimate for 1926-27.

9. I pass on to the Budget estimate for 1926-27. The figures in brief are that we are budgetting on commercial lines for gross receipts amounting to 102·78 crores and gross expenditure, including interest charges, of 92·13 crores. If these figures are realised, the gain from commercial lines will be 10·45 crores, and the net gain, that is the gain after deducting the

anticipated loss on strategic lines will be 871 lakhs. In 1926-27 our contribution will be based on the financial results of the year 1924-25, and I have just told the House what a prosperous year that was for Railways. General Revenues indeed will take out of us a gross contribution of 760 lakhs. The net contribution payable will be 601 lakhs, and the balance of the 871 lakhs which we expect to have for disposal, namely, 270 lakhs, will be transferred to Railway Reserves.

10. In making these estimates, we have allowed for certain reductions in freights and fares which we have made or wish to make and to which I will refer later. I hope that the bread we are casting upon the waters will return unto us after many days in the shape of increased traffic, but the immediate effect must be detrimental to our earnings and we are allowing for a falling off of about 2 crores as a direct result of the reductions. For the rest, we have assumed that the season will be a normal one and that there will be a normal development of traffic on our existing lines. Also we have taken into account the fact that we have opened 264 miles of new lines in the current year, that we expect to add another 240 miles in the coming year and that we shall acquire the Delhi-Umballa-Kalka Railway. We have taken all these factors into consideration and have felt justified in estimating that our gross traffic receipts from commercial lines will be 101·35 crores or 2½ crores more than the revised estimate of the current year. Our estimate of gross expenditure from revenue, namely, 92·13 crores is 277 lakhs more than the revised estimate of the current year. Part of the increase is due to an increase of 130 lakhs in our interest charges. As regards working expenses proper, we place them at 65·19 crores or 132 lakhs more than the revised estimate of this year. 40 lakhs of the increase is due to larger appropriations to our Depreciation Fund. For the rest the increase is due mainly to the fact that we have increased our provision for repairs to rolling stock by 35 lakhs and to larger provision for operating expenses other than fuel, this larger provision being necessitated by the fact that we expect to handle a larger volume of traffic. On the other hand, in the circumstances set out in the Budget Memorandum, we hope again to effect a considerable saving in our fuel bill.

Capital Budget of 1925-26.

11. I propose now to say a few words about our Capital Budget. The approved programme for the current year provided for a capital expenditure of 32·07 crores. Past experience had told us that Railway Administrations would not be able to spend the full grant, but our policy is not in any way to restrict the execution of sanctioned works. Clearly once a work is sanctioned it is desirable that it should be carried to completion as expeditiously as possible. Accordingly we allowed Railway Administrations the full grants asked for for approved works and made a lump sum deduction in their demands for the probable savings we anticipated in their expenditure. The reduction we provided for was 9·17 crores, so that the net grant was fixed at 22·90 crores. We estimate that the actual capital expenditure will be 19½ crores and that there will be a lapse of 3·40 crores. This lapse compares favourably with the lapse of nearly 18 crores in 1923-24 and nearly 17 crores in 1924-25. We have made changes in the system of preparing estimates, in the arrangements for the execution of works and in the procedure relating to the preparation and certification of indents. These changes have already borne fruit, but I frankly admit that there is still room for improvement, and we have reason to

hope that in the future actual capital expenditure will approximate more closely to our budget estimates. In this connection, I take the opportunity of announcing that quite recently the Secretary of State largely increased our powers of sanction. He has done so for the reasons I have mentioned earlier in my speech, namely, that the obligation laid upon us by the Assembly to pay not only our interest charges but also a contribution to General Revenues is in itself a guarantee for economy which justifies a relaxation of his control. Many projects which formerly required a reference to him are now within our own powers of sanction, and a considerable saving of time should be the result.

Capital Budget of 1926-27.

12 For next year Railway Administrations have proposed an expenditure on approved works of 34·58 crores on capital account. We intend to authorise Agents to spend up to this amount, but we do not think that actual expenditure will exceed 22 crores. This figure is made up of 15·44 crores for open line works and 6·56 crores for new construction. The actual figure we have included in the estimates, however, is 26 crores, 4 crores having been provided for the purchase of the Delhi-Umballa-Kalka Railway.

Open Line Works.

13. Full details of open line works are given in the Budget Memorandum and in the budget books of individual railways and I have time now only to direct the attention of the House to a few of the more important items. The general object of this expenditure is to make Indian Railways better equipped to handle, remuneratively and efficiently, not only existing traffic but also that natural expansion of traffic which we confidently expect. Possibly the most striking item in the programme is the electrification of the railways in and near Bombay. We have already opened the electrified Harbour Branch of the Great Indian Peninsula Railway and the remainder of the scheme for the electrification of the Great Indian Peninsula and Bombay, Baroda and Central India suburban lines is steadily being pushed forward to completion. Preliminary work has also been begun for the more ambitious scheme, which we also hope will be very remunerative for electrifying the Great Indian Peninsula main lines from Kalyan to Poona and Kalyan to Igatpuri. Again we are laying heavier rails and strengthening bridges on sections where the existing standard is below that required for modern developments. Other sections are being doubled or quadrupled. I may mention, for instance, that we are providing 30 lakhs for the doubling of the Grand Chord from Gaya to Moghalsarai, and 44 lakhs for quadrupling the Bandra-Borivli and Bandra-Grant Road sections of the Bombay, Baroda and Central India Railway. We have important schemes in hand for the remodelling of station yards, one of the most important being that for the remodelling of the Victoria Terminus at Bombay at a cost of 88 lakhs. There is an almost equally heavy programme of workshop remodelling calculated, we hope, considerably to accelerate repairs to locomotives and rolling stock. And finally, among the additions to rolling stock which we contemplate are included, in terms of 4-wheelers, 2,707 goods wagons and 671 coaching vehicles. Of these latter, 547 are lower class carriages. Indeed, our general position is so much stronger that we have felt justified in providing for a gross expenditure of nearly 1½ crores in additions and betterments to lower class carriages. Apart from and in addition to this, we are spending some 31 lakhs on amenities which may be described as special for lower class passengers.

New Construction.

14. For new construction, Railway Administrations have asked for 9·82 crores. About 6½ crores are required for lines the construction of which is already in progress and the balance will go to new lines. A complete list of all the lines will be found in Demand No. 7, and I will merely say now that the programme comprises more than 60 different projects covering more than 2,500 miles of new construction. The policy we are working to is that we are willing and anxious to construct any new lines provided we are satisfied that they will be remunerative, and our practice now is to draw up the annual programme of new construction on the basis of the co-ordinated recommendations of Local Governments and Local Railway Administrations. We have also impressed on Railway Administrations their responsibilities for developing the areas within their respective spheres of influence by bringing to our notice promising schemes of railway development within those areas. The principal difficulty with which we are now confronted is that of spending the money—that is, of executing rapidly sanctioned projects. This is a matter of organisation, and I hope that it will not be long before we show considerable improvement in this respect. On some Railways where much new construction is in hand, we have adopted, with good results, the expedient of placing a special Chief Engineer directly in charge of all new construction, and we are also experimenting in the direction of more extended use of private contractors, particularly for bridge work.

Railway Reserves.

15. I mentioned earlier in my speech that in 1924-25 we transferred 6·38 crores to the Railway Reserves. This year, if our estimates prove correct, we hope to transfer 3·45 crores, and our reserves should stand approximately at 10 crores of rupees. As the House knows, the convention lays down the objects for which these reserves are to be used. They are intended, *firstly*, to secure the payment of our annual contribution to General Revenues, *secondly*, to provide, if necessary, for arrears of depreciation, and, *thirdly*, to strengthen the financial position of railways in order that the services rendered to the public may be improved and rates reduced. Last year we decided not to take any action which would reduce the amount to be added to our reserves. This year we have felt justified in adopting a bolder policy. I do not mean to imply that we regard reserves amounting to 10 crores as anything to boast about. They represent indeed less than two per cent. of the total capital at charge on commercial lines.

16. In a commercial concern like the railways where the receipts fluctuate widely with seasonal and trade conditions, while the major portion of expenditure does not vary with the receipts, reserves of this amount can only be regarded as insignificant and quite inadequate for any of the purposes for which the reserves are required—much less for all those purposes. It might be argued with considerable force that in the long run the wisest course would be to continue to build up the reserves at the present pace, or even faster, in order that our reserves might, as speedily as possible, be of sufficient magnitude to place the railways in an impregnable financial position. Moreover there is another purpose for which I think the House would also desire that substantial reserves should be built up. The House must remember that as long as we are required not merely to balance our budget, but also to pay a heavy contribution

to General Revenues, we must perforce, for some time to come, confine our new construction mainly to remunerative lines, that is, to new lines which can reasonably be expected to be remunerative within 5 or 6 years. The result is that what I may call "development lines" must wait unless we can construct them by special arrangements with the Local Governments concerned. But adequate reserves would enable us to adopt a more forward policy in new construction and to undertake the construction of lines which, though they cannot be shown to be remunerative within a period of 5 or 6 years, may be expected to develop the country they pass through and ultimately to pay their way. While, therefore, I adhere to the opinion that we must continue building up our reserves, we have had recently to consider, from purely practical and business considerations, whether we have not now reached a position where we can safely afford to reduce the pace at which our reserves are being built up. We have been considering in consultation with railway administrations and in accordance with the promise which I made last year to this House, also in consultation with the Railway Finance Committee, whether the general strengthening of the financial position of the railways in the last two years does not justify our making, at any rate, a beginning with reductions of rates and fares and improvement of services. As I explained last year, as a mere matter of business, railway administrations had even then been compelled to reduce first and second class fares. Statistics showed that on most railways we were losing not merely traffic but also revenue—a sure sign that the fares were higher than the traffic can bear. Some railways have been compelled already to come down still further in these fares. The position in regard to third class fares is somewhat different. I gave figures in my budget speech last year to show that taking Indian railways as a whole the last three years showed a steady increase both in the number of passengers carried and in earnings derived from the traffic. The figures of 1924-25 tell the same tale, and it might be argued that there is no very strong case for any reduction in third class fares. But the rate of increase is much slower than it used to be, and railway administrations are inclined to take the view that some reduction in lower class fares would so stimulate traffic as ultimately to pay the railway. In this view some railway administrations have already made a beginning with the reduction of lower class fares. The statistics are given on pages 39 and 40 of the Proceedings of the Standing Finance Committee for Railways, Volume II, No. 6. It will be seen that six railways have made, or are about to make, some reduction in their passenger fares and we estimate that the immediate cost of these reductions will amount to 111 lakhs, the cost of the reduction of lower class fares being put at 84 lakhs. Since the matter was discussed with the Standing Finance Committee, I have heard the Burma Railways also have decided to reduce 3rd class fares from 4 pies to 3½ pies for the first 300 miles and from 3½ pies to 3 pies for distances beyond 300 miles. Further, some reductions are also proposed in first and second class fares, and the total cost of these reductions will amount in the first year to 12 lakhs of rupees. I may say that these reductions, other than those of the Burma Railways, have been approved by the Standing Finance Committee for the Railways. The possibility of further reductions will be considered in consultation with the railway administrations and I may mention that we have, in framing our budget estimates for the coming year, allowed for the possibility of these further reductions. In considering these reductions in fares there is one point that I hope the House will bear in mind. We regard it as quite impossible for us to fix one flat rate of fare for each class of railway passenger and to impose that rate uniformly upon all railways. If we are

to adopt the standard laid down by the Inchcape Committee and make it our aim that Indian railways should pay at least 5½ per cent. upon the capital at charge, we must be in a position to transfer a similar obligation to each railway administration. It is only in that way that we can secure real economy and if we impose upon each railway administration the obligation to pay a definite rate of interest upon the capital sunk in its line, we must take into account the different cost of transportation in the different parts of the country and the financial position of each line. We take the view, that is, that each railway must be considered separately and that its particular circumstances must be taken into account in deciding what fares can properly be charged for the carriage of passengers. The reduction in fares which has already been agreed to will cost, as I have just explained to the House, Rs. 123 lakhs in the coming year. But in framing our budget we have made an allowance for a loss of revenue amounting to Rs. 163 lakhs on account of the reduction in passenger fares. If therefore other Railways follow suit in the reduction of fares, or if the Railways which have already reduced their fares decide to make further reductions, we have made a provision of Rs. 40 lakhs to cover the immediate loss of revenue that will be involved.

17. In addition to the reduction of passenger fares, we propose also to reduce the long distance coal freights, that is, to reduce the freight on all coal carried more than 400 miles. Our actual proposal is that on distances exceeding 400 miles, the rates of freight for public coal should be reduced to the rate now in force for locomotive coal. This means on long distance traffic a reduction of freight amounting roughly to 10 per cent. It will cost us Rs. 37½ lakhs a year. I should like to give the House some concrete instances showing what this reduction will mean in actual freight rates from the Jharia coalfields to certain important industrial centres in India. I take Bombay first. Here we are not merely reducing the rates on public coal to the locomotive rate, but we are also lowering the ghat charge on the Great Indian Peninsula Railway. The effect is that whereas coal from the Jharia coalfields to Bombay now pays Rs. 15-6-0 per ton, it will from 1st April, when the new rates will be brought into force, pay Rs. 13-12-0 per ton—a reduction, that is, of Re. 1-10-0 per ton. Coal to Cawnpore which now costs Rs. 8-1-0 per ton will in future pay Rs. 7-3-0 per ton. The charge from Jharia to Delhi goes down from Rs. 10-10-0 to Rs. 9-7-0. That from Jharia to Ahmedabad will go down from Rs. 14-6-0 to Rs. 13-4-0. These rates, I may mention, include terminals. As I have said, the reduction may be taken as equivalent to a reduction of 10 per cent. on existing rates. I may mention that the Indian Railway Conference Association expressed itself as being opposed to reducing long distance coal freights. It took the view that a reduction of 10 per cent. could not be expected to lead to any material increase in the amount of coal transported on Indian Railways. But we have looked at the matter from rather a different point of view. It may be that a reduction of Re. 1 per ton is not sufficient immediately to stimulate traffic. But we cheapen production to that extent and I have no doubt that ultimately we shall get the benefit. We can now say with good reason that we are carrying long distance coal at the lowest commercially possible rate. At any rate, the rates we are charging to the places I have mentioned are only about 20 per cent. higher than the rates we charged as far back as 1905, and I doubt whether there is any other Railway system in the world that can say this.

18. It may be said that there is an element of risk in the course we are taking. I do not deny it. There is always a danger, I suppose, lest in prosperous years we dissipate revenue which in the bad years may be badly needed. But though the action we are taking may for a year or two diminish the amount of money we can add to our reserves, we believe that it will pay us in the long run and that ultimately we shall strengthen the financial position of our Railways. Before I leave the subject, I should like to say that we have not overlooked the point made by the Standing Finance Committee. If the reduction of fares stimulates traffic, we must be prepared to handle that traffic, and our programme for 1926-27 contemplates large additions to and renewals of lower class stock at an estimated cost of 1½ crores.

CONCLUSION.

19. There are many other subjects mostly of an administrative or technical character on which I am tempted to dwell, but I am afraid of wearying the House and I will bring my speech to a close. But before I sit down, I should like, if the House will allow me, to indulge in a brief retrospect. This is the last Railway Budget that I shall defend in the Indian Legislature, and it is natural that I should look back over the five years during which I have been connected with Indian Railways. My first year 1921-22 was one of the most disastrous years in the history of the Railways. For the first time since 1908 they had failed to pay their interest charges; indeed, the net loss of the year amounted to the enormous sum of 9 crores of rupees. There was much to be said in excuse for the Railways. They had rendered magnificent service during the war. Shortage of tonnage had thrown on them an immense amount of traffic which formerly had gone by sea, and their resources had been strained to the uttermost. At the same time, material and rolling stock had been hard to obtain, and the railways had emerged from the war in a sorely battered dilapidated condition. No money had been laid aside to meet arrears of depreciation, or rather the sums which had been earmarked for the purpose had under stress of necessity been diverted to other objects. And though in the years immediately succeeding the war, the Government of India, in spite of the desperate condition of their own finances, endeavoured to make liberal provision for what was then known as programme revenue expenditure, yet under the system then prevailing the Railways could not make the best use of the moneys placed at their disposal. For the grants were annual grants. Balances unspent at the end of the financial year lapsed, and it was impossible for Railways to work to a well-thought out programme of rehabilitation, spread as such a programme must be spread over a period of years, for the amount of money which could be spared each year by the Government of India for programme revenue expenditure necessarily varied with the general financial position of the Government of India. We were told by the Acworth Committee that rehabilitation was the first task before us and that new construction could not be thought of, and I remember well what a hopeless task rehabilitation seemed in those days. I am happy to think that they have gone, never I hope to return, and I think that we may contrast the condition of our Railways now with their condition 4 years ago with legitimate satisfaction. The money we have spent on them is beginning to bear fruit. The coal trade is an obvious example. Every industrialist in India must remember the scramble for coal wagons at the end of the war and in the years immediately following and the constant

anxiety lest he should have to close his works for lack of coal. Now we have been able entirely to abolish any form of control over wagon supplies, and however necessary that control may have been, I frankly admit that in itself it was an evil. Our Railways now can carry all the coal traffic that offers; indeed, they ask for more. And as with coal, so with our other staple trades. I do not claim that our Railways are perfect. Far from it. Much remains to be done. But I do believe that now they are better equipped to serve the commerce and industry of India than at any previous period of their history. Many factors have combined to bring about the improvement. Much work has been put in in improving the track, in strengthening bridges, in putting in more crossing stations and in remodelling stations. Train control has been extended, our internal organisation has been improved by the introduction of the divisional system, and better statistics enable the Agent to watch the working of almost every department of his Railway. Our rolling stock is more adequate and in better order. But the most important thing of all is that Railway Administrations are in better heart because they are working under a reasonable system of finance. The Depreciation Fund is a safeguard against the return of conditions which prevailed in 1921-22. Agents can now look ahead. They can work to an ordered plan, and they have a real incentive to economy. The improvement in our financial position is, indeed, most striking. It is just 3 years since we received the report of Lord Inchcape's Committee. They set before us the standard that we should aim at yielding a return of 5½ per cent. on our capital, and they calculated that if we did so, there would be a net gain to the State of roughly 8½ crores from its Railway property. But this was the figure at which they thought we should aim. They did not regard it as a result which could immediately be realised. On the contrary, under the proposals they made for the postponement of expenditure and for retrenchment in the year 1923-24, they calculated that the Railways should make a net return of 4 crores of rupees to the State. The actual net gain we made in that year was nearly 6½ crores. In 1924-25 our net gain, after eliminating certain adventitious gains due to refund of customs duty and after taking into account the loss on strategic lines, amounted to 11·7 crores, while in the current year we estimate that it will amount to about 9 crores. It is true that since separation the revenue expenditure of the railways has been relieved of the sinking fund payments made towards the reduction of capital, which amounted to more than 2 crores. But against this has to be set the fact that the institution of the Depreciation Fund has resulted in an additional charge to revenue of over 3 crores. The results of these 3 years therefore are not only in excess of the immediate results which the Inchcape Committee wished to see, but have even exceeded the figure which they suggested should be ultimately aimed at by the Railways. We are now even in a position to consider a reduction in freights and fares which in the position in which they found the Railways the Retrenchment Committee could not have considered to be within the range of practical politics, and while the process of rehabilitation goes steadily on, we have also been able to embark on an extensive programme of new construction. We can contemplate these results, I repeat, with sober satisfaction. I say this the more readily because I am not so foolish as to claim the credit for myself. Human energy and human ability have indeed played their part, and since we all believe in rendering honour where honour is due, I shall have the whole House with me when I pay my tribute to Sir Clement Hindley, Mr. Sim, the Railway Board, Railway

Agents and the Railway Staff generally. (Applause.) But if there is one thing more than another to which our better prospects are due, it is the Convention of September 1924.

At one point in the debate it looked as if the cause was lost, but good will and good sense triumphed in the end, and this the second Assembly of the Indian Legislature may congratulate itself on the fact that it will go down to history as the Assembly which at long last placed Railway Finance on a proper basis. (Applause.) I sometimes think that we of the Railway Department get more than our fair share of hard knocks, and no doubt we shall get more next week. Nevertheless, we shall always remember this Assembly with gratitude, for it is this Assembly that has given us the chance of managing the Railways as they should be managed. Differences of opinion there have been between us on questions of policy as well as on questions of detail. But whatever causes of complaint there may be against us, I hope that we may be given at least this much credit, namely, that we are animated by a single-minded, even jealous, devotion to the interests of Indian Railways. Already they are a property of enormous value to the State. We wish to make that property more valuable still. For my part, I shall always look back with pride and pleasure on my connection with the Indian Railways and my hope is that they will expand and grow and become more and more an efficient instrument of trade. For, believe me, Sir, the prosperity of India is in no small degree bound up with the prosperity of her Railways. (Prolonged and loud Applause.)

BUDGET

OF THE

Railway Revenue and Expenditure of the Government of India.

February 1926.

ACCOUNTS	1924-25
REVISED ESTIMATES	1925-26
BUDGET ESTIMATES	1926-27

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I. Statement of the Revenue of the Central

HEADS OF REVENUE.	Accounts, 1924-25.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XI.—State Railways—						
(a) Commercial lines—						
Gross receipts—						
Passenger traffic earnings—						
Upper class . .	4,23,90,000	...	...	4,33,90,000	4,39,3[illegible],000	...
Lower class . .	31,03,87,579	...	...	31,03,87,579	32,48,47,000	...
Other coaching traffic earnings.	5,78,07,521	...	...	5,78,07,521	5,86,95,000	...
Goods traffic earnings .	62,80,73,283	...	...	62,80,73,283	60,55,23,000	...
Hire charges and other payments from Railways.	9[illegible],06,000	...	...	9[illegible],06,000	81,86,000	...
Sundry earnings . .	1,56,1[illegible],894	4,8[illegible],355	1,79,276	1,6[illegible],75,525	1,6[illegible],67,000	4,83,000
Total earnings .	1,06,4[illegible],7[illegible],82	4,82,355	1,79,[illegible]76	1,06,50,[illegible]9,913	1,05,74,50,000	4,83,000
Deduct—Earnings of worked lines	7,33,85,711	...		7,33,85,711	6,91,86,000	...
Earnings of State Railways.	99,[illegible]9,9[illegible],57[illegible]	4,82,355	1,[illegible]9,376	99,16,54,[illegible]03	98,8[illegible],[illegible]4,000	4,83,000
Suspense . . .	28,15,[illegible].9	...	...	28,15,119	[illegible],61,000	...
Gross receipts of State Railways.	99,38,07,690	4,8[illegible],355	1,[illegible]9,276	99,44,69,321	9[illegible],86,[illegible]5,000	4,8[illegible],000
Deduct—Working expenses of State Railways.*	60,95,02,236	...	...	60,95,02,236	63,70,83,000	12,50,000
Surplus profits paid to Indian States and railway companies.	1,42,27,760	...	...	1,4[illegible],27,760	1,75,90,000	...
Net receipts . . .	37,00,77,[illegible]94	4,83,355	1,[illegible]9,276	37,07,39,[illegible]25	33,39,6[illegible],000	—7,67,000
(b) Strategic lines—						
Gross receipts . .	1,59,83,637	...	...	1,59,83,637	1,63,75,000	...
Deduct—Working expenses	1,95,76,450	...	...	1,95,76,450	2,04,94,000	...
Net receipts . . .	—35,89,8[illegible]3	...	...	—35, 9[illegible]3	—4[illegible],19,000	
Total net receipts, Commercial and Strategic lines.	36,64,8[illegible]81	4,82,355	1,[illegible]9,[illegible]76	36,71,49,7[illegible]3	3[illegible],98,[illegible]3,0[illegible]0	—7,67,000
Interest on Depreciation and Reserve Funds.	21,28,998	...	...	21,[illegible]8,99[illegible]	54,66,000	...
XII.—Subsidized Companies: Government share of surplus profits.	4,62,609	18,[illegible]6,166	6,87,2[illegible]2	30,15,987	4,5[illegible],000	22,75,000
Total receipts . .	36,90,79,6[illegible]8	23,48,5[illegible]1	8,6[illegible],4[illegible]8	[illegible]7,[illegible]3,94,[illegible]17	35,56,91,[illegible]00	15,08,000

* For details see statement [illegible] (a).

J. M. HARTLEY,
Accountant General, Railways.

Delhi,
Railway Department,
The 18th February 1926.

Government from railways in India and England.

1925-26.		Increase (+) Decrease (−) as compared with the Budget Estimate, 1925-26.	Budget Estimate, 1926-27.				Increase (+) Decrease (−) as compared with the Revised Estimate, 1925-26.
Exchange.	Total.		India.	England.	Exchange.	Total.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	4,39,33,000	+37,80,000	4,41,35,000	...	...	4,41,35,000	+2,02,000
...	32,48,47,000		32,37,95,000	...	...	32,37,95,000	−10,52,000
...	5,86,95,000	+5,95,000	5,93,17,000	...	...	5,93,17,000	+6,22,000
...	60,55,22,000	−2,14,78,000	62,56,14,000	...	...	62,56,14,000	+2,00,92,000
...	81,86,000	−28,50,000	86,60,000	...	...	86,60,000	+4,74,000
1,58,000	1,09,08,000		1,70,79,000	4,83,000	1,61,000	1,77,23,000	+8,15,000
1,58,000	1,05,80,91,000	−2,29,53,000	1,07,86,09,000	4,83,000	1,61,000	1,07,92,44,000	+2,11,53,000
...	*6,91,86,000*	−47,14,000	*6,47,29,000*	...	...	*6,47,29,000*	−44,57,000
1,58,000	98,89,05,000	−1,82,39,000	1,01,38,74,000	4,83,000	1,61,000	1,01,45,15,000	+2,56,10,000
...	3,61,000	+3,61,000	−3,14,000	...	...	−3,14,000	−6,75,000
1,58,000	98,92,66,000	−1,78,78,000	1,01,35,57,000	4,83,000	1,61,000	1,01,42,01,000	+2,49,35,000
4,08,000	*63,87,41,000*	−1,17,95,000	*64,94,75,000*	*18,15,000*	*6,05,000*	*65,18,95,000*	+1,31,54,000
...	1,75,90,000	+42,40,000	1,51,00,000	...	...	1,51,00,000	−24,90,000
−2,50,000	33,29,35,000	−1,03,22,000	34,89,82,000	−13,32,000	−4,44,000	34,72,06,000	+1,42,71,000
...	1,63,75,000	−21,25,000	1,67,43,000	...	...	1,67,43,000	+3,68,000
...	*2,04,94,000*	−12,31,000	*2,11,05,000*	...	...	*2,11,05,000*	+6,11,000
...	−41,19,000	−8,94,000	−43,62,000	...	...	−43,62,000	−2,43,000
−2,50,000	32,88,16,000	−1,12,16,000	34,46,20,000	−13,32,000	−4,44,000	34,28,44,000	+1,40,28,000
...	54,06,000	+21,71,000	81,54,000	...	...	81,54,000	+27,48,000
7,42,000	34,69,000	+3,92,000	5,14,000	21,90,000	7,30,000	34,34,000	−35,000
4,92,000	33,76,91,000	−86,53,000	35,32,88,000	8,58,000	2,86,000	35,44,32,000	+1,67,41,000

G. G. SIM,
Financial Commissioner.
c/

1 (*a*).—Statement of Working Expenses of State

	Accounts, 1924-25.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Administration	12,32,69,604	...	...	12,32,69,604	12,86,42,000	12,50,000
Repairs and maintenance	17,50,23,815	...	...	17,50,23,815	17,80,09,000	...
Operation	25,55,10,090	...	...	25,55,10,090	26,74,14,000	...
Refunds of Revenue	...	...	...	...	...	...
Depreciation	9,94,81,266	...	...	9,94,81,266	10,24,18,000	...
Suspense	—37,64,082	...	...	—37,64,082	—12,50,000	...
Total	64,95,20,693	...	...	64,95,20,693	67,52,33,000	12,50,000
Deduct—Share of Worked Lines.	4,00,18,457	...	...	4,00,18,457	3,81,50,000	...
Working Expenses	60,95,02,236	...	...	60,95,02,236	63,70,83,000	12,50,000

J. M. HARTLEY,
Accountant General, Railways.

Delhi,
Railway Department;
The 18th February 1926.

Railways—Commercial Lines.

1925-26.		Increase (+) Decrease (—) as compared with Budget, 1925-26.	Budget Estimate, 1926-27.				Increase (+) Decrease (—) as compared with Revised, 1925-26.
Exchange.	Total.		India.	England.	Exchange.	Total.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4,08,000	13,03,00,000	+63,00,000	12,85,80,000	18,15,000	6,05,000	13,10,00,000	+7,00,000
...	17,80,09,000	−94,91,000	18,24,50,000	...	...	18,24,50,000	+44,41,000
...	26,74,14,000	−30,73,000	26,64,51,000	...	...	26,64,51,000	−9,63,000
..	...	...	30,00,000	...	...	30,00,000	+30,00,000
...	10,24,18,000	−13,82,000	10,64,14,000	...	...	10,64,14,000	+39,96,000
...	−12,50,000	−28,00,000	−16,70,000	...	...	−16,70,000	−4,20,000
4,08,000	67,68,91,000	−1,04,46,000	68,52,25,000	18,15,000	6,05,000	68,76,45,000	+1,07,54,000
...	3,81,50,000	+13,50,000	3,57,50,000	...	...	3,57,50,000	−24,00,000
4,08,000	63,87,41,000	−1,17,96,000	64,94,75,000	18,15,000	6,05,000	65,18,95,000	+1,31,54,000

G. G. SIM,

Financial Commissioner.

2.—Statement of the expenditure on railways charged to

Heads of Expenditure.	Accounts, 1924-25.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10. State Railways:—						
Interest: commercial lines:						
on Government capital at charge	11,04,11,072	6,51,46,473	2,44,63,946	20,00,21,491	12,06,40,000	7,26,97,000
on capital contributed by Indian States and Companies.	2,89,869	1,92,18,223	72,07,525	2,67,15,617	2,90,000	1,23,77,000
Total interest, commercial lines	11,07,00,941	8,43,64,696	3,16,71,471	22,67,37,108	12,09,30,000	8,50,74,000
Interest, strategic lines	1,22,77,085	...	...	1,22,77,085	1,26,04,000	...
Total interest	12,29,78,026	8,43,64,696	3,16,71,471	23,90,14,193	13,35,34,000	8,50,74,000
11. Subsidized Companies: Land and subsidy.	3,09,285	...	...	3,09,285	7,00,000	...
12. Miscellaneous Railway expenditure—						
Commercial lines	—10,55,509	17,24,135	6,41,071	13,09,697	—1,01,000	22,02,000
Strategic lines	12,343	...	...	12,343	44,000	...
Payments to general revenues—						
Contribution*	5,09,38,083	...	...	5,09,38,083	5,09,38,000	...
One-third of the excess of railway surplus over three crores.	1,69,03,599	...	...	1,69,03,599	22,60,000	...
Total payment to general revenues	6,78,41,682	...	...	6,78,41,682	5,31,98,000	...
Reserve Fund	6,38,07,197	...	...	6,38,07,197	3,45,21,000	...
Total	25,38,93,024	8,60,89,131	3,23,12,542	37,22,94,697	22,19,26,000	8,72,76,000

* For details, see Statement 2 (a).

J. M. HARTLEY,
Accountant General, Railways.

Delhi,
Railway Department;
The 18th February 1926.

the revenue of the Central Government in India and in England.

1925-26.		Increase (+) Decrease (−) as compared with Budget. 1925-26.	Budget Estimate, 1926-27.				Increase (+) Decrease (−) as compared with Revised, 1925-26.
Exchange.	Total.		India.	England.	Exchange.	Total.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3,37,30,000	31,70,67,000	—44,84,000	13,17,46,000	7,43,18,000	2,47,73,000	23,08,37,000	+1,37,70,000
40,40,000	1,67,07,000	+76,000	3,00,000	1,17,20,000	39,07,000	1,59,27,000	—7,80,000
2,77,70,000	23,37,74,000	—44,08,000	13,20,46,000	8,60,38,000	2,86,80,000	24,67,64,000	+1,29,90,000
...	1,26,04,000	+4,89,000	1,29,84,000	...	...	1,29,84,000	+3,80,000
2,77,70,000	24,63,78,000	—39,19,000	14,50,30,000	8,60,38,000	2,86,80,000	25,97,48,000	+1,33,70,000
...	7,30,000	+1,80,000	8,40,000	...	...	8,40,000	+1,10,000
7,10,000	38,20,000	+18,000	38,49,000	21,60,000	7,20,000	67,29,000	+39,09,000
...	44,000	+44,000	22,000	...	...	22,000	—22,000
...	5,09,38,000	—14,000	6,00,87,000	...	...	6,00,87,000	+91,49,000
...	22,60,000	—16,54,000	...	...	...	...	—22,60,000
...	5,31,98,000	—16,68,000	6,00,87,000	...	...	6,00,87,000	+68,89,000
...	3,45,21,000	—33,08,000	2,70,06,000	...	...	2,70,06,000	—75,15,000
2,84,89,000	32,76,91,000	—86,53,000	23,68,34,000	8,81,98,000	2,94,00,000	35,44,32,000	+1,67,41,000

G. G. SIM,

Financial Commissioner.

2 (*a*)—Contribution from Railway to general revenues, 1925-26.

(Based on actuals, 1923-24.)

	Rs.	Rs.
1. 1 per cent. on capital of 5,40,38,96,631 at charge, commercial lines	...	5,40,38,966
2. (i) Receipts—		
Gross traffic receipts commercial lines	92,04,37,101	
Subsidised Companies, share of surplus profits	23,64,135	
		93,18,01,329
(ii) Charges—		
Working expenses, commercial lines	59,15,60,185	
Indian States and Railway Companies' share of surplus profits	1,14,46,008	
Interest—		
On capital at charge, commercial lines	19,66,79,525	
On capital contributed by Indian States and Companies	3,09,04,374	
Land and subsidy	5,40,450	
Miscellaneous Railway expenditure	15,25,670	
Contribution at 1 per cent. on capital at charge, commercial lines	5,40,38,966	
		88,07,85,178
(iii) Surplus	...	4,50,16,151
(iv) Contribution of one-fifth of surplus	...	90,03,230
3. (i) Total contribution from railway revenues [1*plus* 2 (iv)]	...	6,30,42,196
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital of26,33,57,762	1,02,37,396	...
(ii) Loss in working	18,66,715	..
		1,21,04,113
(ii) Net payment due from railway to general revenues in 1925-26	...	5,09,38,083

J. M. HARTLEY,
Accountant General, Railways.

G. G. SIM,
Financial Commissioner.

DELHI,
RAILWAY DEPARTMENT;
The 18th February 1926.

2 (*a*).—Contribution from railway to General Revenues, 1926-27.

(Based on actuals, 1924-25.)

	Rs.	Rs.
1 per cent. on capital of 5,80,75,63,148 at charge, commercial lines	...	5,80,75,631
2. (i) Receipts—		
Gross traffic receipts, commercial lines	99,44,69,321	
Interest on Depreciation and Reserve Fund balances	21,28,998	
Subsidised Companies' share of surplus profits	30,15,987	
		99,96,14,306
(ii) Charges—		
Working expenses, commercial lines	60,95,02,336	
Indian States and Railway Companies' share of surplus profits	1,42,27,560	
Interest—		
On Capital at charge, commercial lines	20,00,21,491	
On Capital contributed by Indian States and Companies	2,67,15,617	
Land and subsidy	3,09,285	
Miscellaneous railway expenditure	13,09,997	
Contribution at 1 per cent. on Capital at charge, commercial lines	5,80,75,631	
		91,01,61,817
(iii) Surplus	...	8,94,52,489
(iv) Contribution of one-fifth of surplus	...	1,78,90,498
(i) Total contribution from railway revenues [1 *plus* 2 (iv)]	...	7,59,66,129
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital of 26,86,77,078	1,22,77,085	
(ii) Loss in working	36,02,156	
		1,58,79,241
(ii) Net payment due from railway to general revenues in 1926-27	...	6,00,86,888

J. M. HARTLEY,
Accountant General, Railways.

G. G. SIM,
Financial Commissioner.

DELHI,
RAILWAY DEPARTMENT,
The 18th February 1926.

3.—Statement of receipts of the Central Government in India and England for State

Heads of Account.	Accounts, 1924-25.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XLI.—Capital contributed by Railway Companies and Indian States towards outlay on State Railways . . .	...	—34,50,000	—14,76,338	—49,26,338	...	73,50,000

J. M. HARTLEY,
Accountant General, Railways.

Delhi,
Railway Department;
The 18th February 1926.

Capital contributed by Railway Companies and Indian States towards outlay on Railways.

1925-26.			Budget Estimate, 1926-27.				
Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1925-26.	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1925-26.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
23,99,000	97,49,000	+5,82,12,000	...	2,21,89,000	73,80,000	2,95,19,000	+1,97,70,000

G. G. SIM,

Financial Commissioner.

4.—Statement of the Capital Expenditure of the

Heads of Expenditure.	Accounts, 1924-25.				Revised Estimate.	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Railway Capital not charged to Revenue:—						
53.—Construction of State Railways:—						
(*a*) Commercial Lines—						
Open Line Works—						
Rolling Stock	...	...	...	5,86,11,511	...	...
Other Works	...	...	...	9,58,18,269	...	...
New Lines	...	...	...	2,96,81,297	...	...
Suspense	...	...	...	—5,58,62,037	...	...
(*b*) Strategic Lines	...	...	...	64,19,316	...	...
Deduct—Probable Savings . . .	...	...	...	...	...	...
Total .	4,70,23,955	6,42,92,247	2,32,82,054	13,45,98,356	9,34,63,000	7,65,50,000
53-A.—Discharge of Debentures . .	...	...	...	...	...	80,35,000
54.—Redemption of liabilities involved in purchase of Railways . . .	...	...	...	...	...	2,57,50,000

Delhi,
Railway Department;
The 18th February 1926.

J. M. HARTLEY,
Accountant General, Railways.

Central Government in India and England on Railways.

1925-26.			Budget Estimate, 1926-27.				
Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1925-26.	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1925-26.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	5,93,60,000	—2,32,89,000	...	...	...	7,90,09,000	+1,96,49,000
...	11,26,77,000	—5,96,98,000	...	...	...	21,54,85,000	+10,28,08,000
...	3,50,63,000	—4,93,46,000	...	...	...	9,75,94,000	+6,25,31,000
...	—1,75,00,000	+40,53,000	...	...	...	—1,20,65,000	+54,35,000
...	54,00,000	+25,50,000	...	...	...	58,00,000	+4,00,000
...	...	—9,17,30,000	...	...	...	12,58,23,000	+12,58,23,000
2,49,87,000	19,50,00,000	—3,40,00,000	10,90,87,000	11,31,85,000	3,77,28,000	26,00,00,000	+6,50,00,000
26,23,000	1,06,58,000	+1,06,58,000	...	2,71,39,000	90,46,000	3,61,85,000	+2,55,27,000
84,05,000	3,41,55,000	—1,78,000	...	...	...	...	...

G. G. SIM,
Financial Commissioner.

A.—Railway Depreciation Fund.

	Accounts, 1924-25.	Budget Estimate, 1925-26.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.		Accounts, 1924-25.	Budget Estimate, 1925-26.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	...	2,10,00,000	3,05,98,501	6,70,98,501	Appropriation from Depreciation Fund.	7,29,01,499	9,50,00,000	7,00,00,000	8,50,00,000
Appropriation to Depreciation Fund.	10,35,00,000	10,73,25,000	10,65,00,000	11,05,00,000	Closing balance.	3,05,98,501	3,33,25,000	6,70,98,501	9,25,98,501
TOTAL .	10,35,00,000	12,83,25,000	13,70,98,501	17,75,98,501	TOTAL .	10,35,00,000	12,83,25,000	13,70,98,501	17,75,98,501

J. M. HARTLEY,
Accountant General, Railways.

G. G. SIM,
Financial Commissioner.

DELHI,
RAILWAY DEPARTMENT;
The 18th February 1926.

BUDGET FOR 1926-27.

B.—Railway Reserve Fund.

	Accounts, 1924-25.	Budget Estimate, 1925-26.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.		Accounts, 1924-25.	Budget Estimate, 1925-26.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	...	4,09,65,000	5,99,78,400	9,44,99,400	Appropriation from Reserve Fund	38,28,797	...	...	...
Appropriation to Reserve Fund.	6,38,07,197	3,78,29,000	3,45,21,000	2,70,06,000	Closing Balance.	5,99,78,400	7,87,94,000	9,44,99,400	12,15,05,400
TOTAL .	6,38,07,197	7,87,94,000	9,44,99,400	12,15,05,400	TOTAL .	6,38,07,197	7,87,94,000	9,44,99,400	12,15,05,400

J. M. HARTLEY,
Accountant General, Railways.

G. G. SIM,
Financial Commissioner.

DELHI,
RAILWAY DEPARTMENT;
The 18th February 1926.

Speech by the Hon'ble Sir Clement Hindley, Chief Commissioner for Railways, in presenting the Railway Budget for 1926-27 in the Council of State.

INTRODUCTORY.

I have the honour to present to the Council a statement of the estimated expenditure and revenue of the Governor General in Council for the year 1926-27 in respect of railways. This is the second occasion on which the Railway Budget has been dealt with separately from the general Budget, and it will be perhaps unnecessary for me to repeat the description which I gave last year of the benefits which we anticipated from this change in procedure and policy. If any doubt of the efficacy of this change remained in the minds of those responsible for it or of the wider circle of those in the Legislature who were associated with us in carrying it out I believe that that doubt will be removed when the financial position which I am about to explain has been fully appreciated.

2. Amongst other benefits arising out of this change has been the improved opportunities which we are able to give to the Legislature to consider and criticise our work and our proposals. The convention regarding separation of finances enables us to settle the figures of our budget independently of those pertaining to the general budget, and while last year we were able to give much greater opportunities for discussion than had been possible before, this year we have been able to carry out the intention, which we indicated, of thoroughly examining the figures in consultation with the Standing Finance Committee for Railways. They have approved of all our figures and in these circumstances we feel a considerable measure of confidence in placing the figures before the Legislature. Not that we expect to pass through the ordeal without criticism. The figures and explanations which accompany them are in effect a presentation of an account of our stewardship, and I will not pretend that our work has been so perfect or that this Council is so tolerant that we can avoid matters for criticism. But whatever criticism may be levelled against us or against those responsible to us, I would ask this Council, the members of which are many of them here for the first time, to show the same consideration in criticism of the Railway Department which was such a marked feature of our relations with the former Council of State.

3. One of the benefits which we anticipated from the separation of finances, and which I mentioned last year, was the fact that the obligation contained in the convention to pay a heavy contribution to the general revenues would be an impelling factor of a constructive nature running through the whole of our activities and organisation. In the figures and facts which follow I hope to show that this factor has been at work, and that on the one hand we have taken great strides during the past year in bringing the railway system of the country into line with requirements, and, on the other hand that our proposals for next year are actuated by a desire to still further develop this great national property and to perfect the organisation and equipment necessary to enable it to fulfil its proper functions. I would, however, take leave to point out that the stimulus underlying this great co-ordinated effort to provide the country with a transportation system adequate to its needs had its origin in something rather less recent than the separation of finances, and separation

may perhaps be looked upon as an incident, although an important one, on the path of reconstruction and reorganisation.

4. The Council will remember the parlous condition into which the railways of this country had fallen at the time when Sir William Acworth's Committee reported. They will remember the nature of the evidence brought before that Committee on the one hand by the public indicating the artificial restrictions imposed on trade and travel by the inadequacy of transportation facilities, and on the other by responsible railway administrations showing how their efforts towards improvement and development were cramped and stunted by the intolerable system of financing the railways which had obtained so long.

They will remember no doubt the remedies suggested, reorganisation of the controlling department, decentralisation, and a more business-like method of allotting funds for improvement and development. These and many other minor remedies we have been endeavouring to apply. In some directions we have had success, in others we still have much to do, but I claim that we have at least made progress.

The Council will remember that before sufficient time had elapsed for the implications of the Acworth Committee's report to be fully understood or acted upon, the railway business of the country was again brought under close examination by Lord Incheape and his Committee. Looked at in the proper perspective, which we can apply at this distance of time, we can recognise that the report which this Committee submitted was in many respects the complement of the former Committee's report. Though to many critics at the time there seemed to be divergent views and recommendations, I feel that nothing but the ruthless analysis of our business in all its ramifications which those two Committees applied could have enabled us to build up our present position. The application of the ideas and principles contained in those reports to the whole of our business has brought about a synthesis of all that was admirable in both of them, and we should be ungrateful indeed if we did not give full recognition to the work which they did and the stimulus to which that work gave birth.

I cannot attempt without taking up an inordinate portion of the time of the Council to give a complete picture of the change which has been brought about as the result of this new spirit, but in dealing with the figures in the estimates and in describing our work, I hope I shall be able to show that the railway property which my department controls is now in a sound financial position, that it is being maintained with efficiency, and that it is meeting the transportation needs of the country in a manner which has never been approached before.

5. Honourable Members of this Council will have shortly placed in their hands copies of the statement of the revised and budget estimates together with a memorandum explaining the budget and separate books which have been prepared for each railway administration under our control They will also be furnished with copies of the speech now being made by the Honourable Railway Member in the other House. I will ask Honourable Members to exercise patience while I endeavour to give a brief summary of the outstanding figures in the estimates.

Working Results (Revenue Receipts and Charges) Commercial Lines.

6. I will first deal broadly with the estimated working results in the current and next financial years. In the budget presented last year we estimated the gross traffic receipts from commercial lines at 100 crores 65

lakhs, or with the addition of miscellaneous receipts, 101 crores and 34 lakhs of gross receipts. The working expenses were estimated at 65 crores 5 lakhs, and the total charges including interest, etc., 90 crores 54 lakhs, leaving a net gain from the commercial lines of 10 crores 80 lakhs. From the results now available for the current year the budget estimate figures have been revised and the gross traffic receipts are expected to reach 98 crores 86 lakhs only which, with the addition of miscellaneous receipts, will give total receipts of 99 crores 81 lakhs. Working expenses are now estimated at 63 crores 87 lakhs, and the total charges at 89 crores 36 lakhs, leaving a net gain of 10 crores 45 lakhs or about 35 lakhs less than anticipated in the budget estimate.

7. For next year, 1926-27, we estimate traffic earnings at 101 crores 35 lakhs which with miscellaneous receipts will give us total receipts of 102 crores 58 lakhs. Working expenses are estimated at 65 crores and 18 lakhs and total charges at 92 crores 13 lakhs, giving a net gain of 10 crores 45 lakhs, the same as in the revised estimate for the current year.

8. Of the net gain of 10 crores 45 lakhs estimated for the current year, the net contribution to general revenues after meeting the loss on strategic railways will be 5 crores 32 lakhs, while 3 crores 45 lakhs will be transferred to railway reserves. For next year if we realise the estimated net gain of 10 crores 45 lakhs, general revenues will receive a net contribution of 601 lakhs and railway reserves will receive 2 crores 70 lakhs.

9. I should like to emphasise certain figures which are of importance from the commercial point of view. The total capital at charge on all railways at the end of last financial year was 655 crores of which 580 crores was the expenditure on commercial lines exclusive of the capital contributed by Companies. At the end of the current year the total capital at charge is expected to be 674 crores of which 599 crores represents commercial lines. After meeting all interest charges our contributions to general revenues since the separation of finances will amount to 6 crores 78 lakhs in 1924-25, 5 crores 32 lakhs in 1925-26 and 6 crores 1 lakh in 1926-27 or a total of 18 crores 11 lakhs in the three years. In the same period the amounts placed to railway reserves are:—6 crores 38 lakhs in 1924-25, 3 crores 45 lakhs in 1925-26, and 2 crores 70 lakhs in 1926-27, or a total of 12 crores 53 lakhs.

It is interesting to compare this position with the position in 1921-22 when with a total capital at charge of 606 crores, the net income was insufficient to meet the interest charges by 9½ crores. From the close of that year to the end of the current financial year the net additions to capital at charge will be approximately 68 crores, general revenues will have received no less than 19 crores 73 lakhs as clear contributions after paying all interest, the railways will have built up a reserve fund of 9·83 crores and have further established a depreciation fund which after meeting all necessary appropriations for replacements and renewals is expected to show a balance of 6 crores 71 lakhs. These figures present a striking contrast to the financial position of the railways at the time when Lord Inchcape's Committee reported, and it is well to remember what that Committee considered should be the aim for our future work. They laid down the principle that the railways as a whole should yield not less than 5½ per cent. on the capital invested and they calculated that when we had had time to effect economies in working expenses we should be able to make a net return of 8½ crores per annum to the State. They did not expect that this result could be obtained immediately and in fact they even

made drastic proposals for postponement of necessary expenditure in order to enable the railways to produce a net return of 4 crores in that year.

In effect we made a net return of nearly 6½ crores while in the subsequent two years we have produced an average net profit considerably above the figure anticipated by the Committee. These figures, I claim, show that the railway property of the State during the last few years has been brought into a sound financial position, a position which has been achieved largely by the application of commercial principles and a wise financial policy.

Before passing on I would call attention to the fact that while during each year since the date of separation, the contribution of one per cent. on the capital at charge to general revenues is an increasing figure, moving from 540 lakhs in 1924-25 to an estimated figure of 580 lakhs next year, the amount to be placed to railway reserves is a steadily decreasing figure, and we are budgetting for a smaller figure for next year than the estimated amount for the current year. We have yet to learn by experience what amount should ultimately be required in our reserves, but from the analogy of what is found necessary in other commercial concerns and other commercial railways we are still a long way off from reaching a figure which will place the railways in a perfectly safe position having regard to the obligations of the separation convention and the unknown obligations of the future. In a year, for instance, in which bad monsoon conditions might bring with it a heavy set back in earnings without an opportunity of bringing down working expenses to a corresponding degree it is conceivable that the payment of the contribution might make a very heavy call indeed on our reserves. Our contribution increases every year and our liability is an ever-increasing one. We cannot, therefore, yet estimate what figure we should finally aim at for the accumulated reserve.

On the other hand the existence of a reserve fund, meagre as it is at present, and the existence of financial arrangements which will ensure a fair share of profits going into the reserve in the future makes it possible to take temporary risks with our earning power. And as I shall explain later we have had during the past few months a most careful examination made by all the railway administrations with a view to ascertaining the best form to give to this risk. It has been decided that certain reductions in fares and freights, most of which have already been notified, will be justified by eventual increases in earnings and the existence of reserves entitles us to take the risk of making these reductions

Revised Estimate, 1925-26.

Gross Earnings.

10. In the Budget presented last year we estimated the gross earnings for this year at 100 crores 65 lakhs. Although we have had an increase in passenger earnings estimated at about 37¾ lakhs, in goods traffic we have had a serious falling off, and we anticipate receiving about 245 lakhs less than we had budgetted for. The net effect is anticipated to bring our total receipts for the year to 99 crores 81 lakhs or 1 crore and 53 lakhs less than the budget estimate figure.

Working Expenses.

The working expenses in the current year are now estimated to be 1 crore and 18 lakhs less than in the budget estimate for the current year. This reduction is due partly to the fact that we have deferred expenditure on the work of fitting our rolling stock with automatic central

buffer couplers pending a re-investigation of the method of conversion. It is now probable that we shall be able to shorten the period of interference with traffic by adopting the method of preliminary alteration and adaptation instead of using a transition device, but it may be some time before we can proceed with the actual conversion.

There is a further cause for the reduction in working expenses, namely, the fact that the special provision of 50 lakhs for speeding up repairs to rolling stock has only been drawn upon to the extent of 25 lakhs, but the solution of the difficult problem of keeping repairs up to date depends largely on the completion of certain schemes of workshop improvement which are now in hand and the results of the investigation into workshops facilities which is now going on. Meanwhile the general position in regard to repairs of locomotives and wagons shows an improvement over the position a year ago although the position as regards coaching stock is not altogether satisfactory.

BUDGET ESTIMATE, 1926-27.

Gross Earnings.

11. Next year we are budgetting for gross earnings of 101 crores 35 lakhs, an increase of about 249 lakhs over the revised estimate for the current year. In making this estimate we have assumed a continuance of the present favourable conditions and a good monsoon. But we have also taken into account the reduced earnings resulting from the reduction in rates and fares to which I have already referred. But for these reductions we should have been justified in placing the estimate at about 2 crores higher than this figure. As regards passenger fares, full particulars of the reductions already notified will be found in the proceedings of the Standing Finance Committee for Railways and those who have leisure to study these proceedings will see that a very careful examination has been made of the position as regards passenger traffic on each of the large railways. The principle which the Railway Board have adopted is to let each railway administration take stock of its position, and arrange the level of its fares so as to encourage the largest volume of traffic at a paying rate. As I have said, the stronger financial position in which we now find ourselves owing to the separation of finances and the prospect of building up an adequate reserve fund makes it possible to take the risk of a temporary drop in earnings. It is, however, essential to bear in mind that reductions in fares can only be made where commercial justification exists and where such action will lead ultimately to larger net earnings and consequently a further strengthening of the reserves. Where, for instance, the normal growth of passenger traffic has been arrested or retarded, it is legitimate to conclude that a reduction of fares will stimulate travelling and bring the rate of growth back to what is regarded and what has been more or less established as the normal annual growth.

Rate fixing is always a matter of trial and error, and if a rate is fixed too high traffic will be discouraged, while if it is fixed too low profits will vanish. To hit the happy mean where profitable traffic is stimulated is the object we have in view. The recently notified reductions must be looked upon as a further stage in the experiment rather than necessarily the beginning of a downward movement of unforeseen limits. Our financial obligations compel us to go cautiously, for to drop below the remunerative point would be fatal to the whole of our financial structure. But we are confident that, with the method now adopted of

analysing the flow of traffic and studying the effect of changes in fares we shall be able to go further in adjusting the charges to the needs of an ever-increasing travelling public. Railway administrations will perhaps be criticised for moving too slowly in reductions, but when the actual reductions in earnings on the different railways which we are budgetting for are studied, for instance, 34 lakhs on the Great Indian Peninsula Railway, 17 lakhs on the South Indian Railway, 33 lakhs on the North Western Railway, 18 lakhs on the East Indian Railway and reductions now proposed on the Burma Railways costing 12 lakhs, I do not think that such criticism will be held to be justified. We have at any rate made a beginning, and we have also made a beginning in the reduction of rates.

There are, of course, many claimants for reductions in goods rates. But here again the problem of rate fixing is one largely of trial and error, although it is beset with many indeterminate factors which do not influence passenger traffic to the same extent. Commodities and their movements have to be watched and studied in different localities, and unless the greatest care is exercised changes in rates may have entirely unforeseen results. Where the movement of commodities between different points is handicapped by the level of rates to an extent which actually restricts traffic, it is obviously a business proposition to make some adjustment, subject always to the consideration that the traffic is still earning a profit. The examination which is required for this purpose is one which is continually going on, but, as in the case of passenger fares, we have felt justified in asking railway administrations to give this matter special attention with a view to stimulating the movement of any commodity where this may be possible. It is, however, specially in regard to coal traffic over long distances that we feel that there is an opportunity of affording some stimulus. We believe that in so far as we can increase the area within which the industrial use of coal is economically possible we shall thereby be stimulating industries themselves and ultimately benefitting our railway business through the traffic which arises as a consequence of the growth of these industries. There are therefore good arguments for carrying coal over long distances as cheaply as possible. The rates at which we carry coal at present are low rates. Having regard to the high proportion which coal traffic bears to other traffic on two, at any rate, of our great railways, it is held in some quarters that these rates in themselves amount to a subsidy. There is considerable doubt whether any reduction would not bring this traffic to the point of being non-remunerative. But that is an argument which I need not enter into now because we are emboldened by what has happened in the past to believe that the reduction which we now propose to make will act as a stimulus and that at a time when the business of coal producing and coal using is in need of such a stimulus. It is being arranged, therefore, with effect from 1st April to reduce the rates on coal carried more than 400 miles to a scale which will be equivalent to a reduction of 14 As. a ton at Cawnpore, 1 Re. 2 As. a ton at Ahmedabad and 1 Re. 10 As. at Bombay. With this new scale the charges for carrying coal over long distances will be about 10 per cent. less than at present and only 20 per cent. higher than the scale in force in 1905.

As regards the rates for coal carried over shorter distances, there is no evidence to show that any reduction that we could afford to make would result in an appreciably larger volume of coal being moved. We have, however, before us the recommendation of the Coal Committee in regard

to a further rebate on export coal, and when the new Grading Board gets to work, we shall be in a better position to come to a decision on this point.

I have explained the reductions in rates and fares already decided upon. As I have said, we shall during the year bring further examination to bear on this matter, and we have in fact formed our estimate of earnings on a basis which, if other assumptions we have made are fulfilled, allows for some further adjustments.

BUDGET ESTIMATE, 1926-27.

Working Expenses.

12. The estimate for gross expenditure during next year, 92 crores 13 lakhs, is 2 crores and 77 lakhs more than the revised figures for the current year. Of this sum an increase in our interest charges owing to our higher capital at charge accounts for 130 lakhs, while an increase of 40 lakhs must be made in the appropriation to the Depreciation Fund which depends on a calculation based on the probable life of our wasting assets. There is also an increased provision for repairs to rolling stock by 35 lakhs and a slightly higher provision for operation, counterbalanced largely by the saving in our fuel bill consequent on the lower prices for market purchases of coal during the coming year, the effects of which have been explained in the Budget Memorandum.

REVISED ESTIMATE, 1925-26.

Capital Expenditure.

13. The approved programme of capital expenditure in the current year was 32 crores 7 lakhs, but while authority was given to push on with all approved works, we estimated that the railway administrations would not spend more than 22 crores 90 lakhs. Actually we expect now that the expenditure will be about 19 crores 50 lakhs, leaving a lapse of 3 crores 40 lakhs. The lapse has mainly occurred in the expenditure on new lines largely owing to delays in land acquisition proceedings, and we have been able to spend to within 40 lakhs the amount estimated for open line works.

We have taken special steps to expedite the process of obtaining approval to works of proved necessity and have simplified the system of preparing and submitting estimates and for the certification of indents, and we have also delegated larger powers of sanction to Agents and Boards of Directors. In this connection it is satisfactory to be able to announce that the Secretary of State recently has increased largely our powers of sanction for new works, and many projects which formerly had to be referred to him for sanction can now be sanctioned by the Government of India. In agreeing to this delegation the Secretary of State has recognised that the obligation which we have undertaken under the separation convention to pay not only the interest on our capital at charge but an additional contribution to the general revenues furnishes a guarantee for economical working such as justifies a wide relaxation of his control.

BUDGET ESTIMATE, 1926-27.

Capital Expenditure.

14. The programme for next year for expenditure on approved works represents an estimated outlay of 34 crores 58 lakhs from capital and of

10 crores 65 lakhs from the Depreciation Fund. We do not propose to restrict expenditure on sanctioned works as it is of obvious advantage, once they are sanctioned, to expedite them as much as possible, but we have formed our own estimate of the probable actual expenditure, which we place at 22 crores from capital and 8½ crores from the Depreciation Fund. The total demand for capital expenditure will be 26 crores as we have included 4 crores for the purchase of the Delhi Umbala Kalka Railway. The terms of this purchase and the reasons which justified it are explained in a statement attached to the Budget Memorandum.

15. The gross figure of capital expenditure involved in the programme for next year is divided into 24 crores 76 lakhs for open line works and 9 crores 82 lakhs for the construction of new lines and lines at present under construction. For open line works we are allotting 17 crores 87 lakhs and for rolling stock 8 crores 10 lakhs. The Budget Memorandum gives full particulars of these open line works, which are shown in greater detail in the separate books for each railway. This expenditure is directed not only towards the better and more efficient handling of present traffic but also towards enabling the railways to meet the natural expansion of traffic and further to stimulate that expansion. Amongst the most important of the various items included in this category is the provision for remodelling marshalling yards 3 crores 40 lakhs and doubling and quadrupling of existing tracks 1 crore 40 lakhs. These works are primarily intended to expedite and facilitate the movement of traffic by increasing the capacity of various routes. For instance, the Bombay-Poona section of the Great Indian Peninsula Railway is to be improved by eliminating the reversing station at Bhore Ghat, the doubling of the Grand Chord line of the East Indian Railway is approaching completion, the Bombay, Baroda and Central India Railway line into Bombay is being quadrupled, and the Ishurdi-Gopalpur section of the Eastern Bengal Railway is being doubled. Amongst the larger yard remodelling schemes are the Victoria Terminus at Bombay, Ahmedabad station, Lucknow and Trichinopoly, important junction stations whose limited capacity has been a severe handicap to traffic, while progress will also be made on improving a number of other stations which are at present unable to deal with traffic with that expedition and efficiency which we must have if we are to continue the present all-round improvements. In this connection I may mention that the introduction of improved statistics has been of great value in analysing the work done in marshalling yards and has been the means of suggesting many improvements and economies in working. We have also had during the year an officer on special duty making a special study of some of the larger centres of traffic congestion and his work has been of great value in designing improved arrangements. The work done covers, for instance, the important centres of Delhi, Cawnpore, Agra, Naihati and certain stations and sections on the Bengal Nagpur Railway.

Another important group of improvement works is represented by the provision of 2 crores and 25 lakhs for improved rails and sleepers and 1 crore for strengthening of bridges. These works are the yearly instalment of the steady process of raising the standard of our main lines to carry the heavier train loads now necessary. Each railway now has its properly co-ordinated programme for strengthening and improvement of bridges and track, working up towards definite standards which the Railway Board has prescribed. In regard to these standards, in which considerations of the design of locomotives and rolling stock, the design and weight of rails and track and the

design of bridges have to be co-ordinated, the Railway Board continue to investigate and study the question of appropriate standards, and for this purpose we have permanent Standing Committees to advise us on the different aspects of the subject. There is perhaps no branch of our technical work which requires more attention and care if we are to meet the growing demands for improved capacity and at the same time take adequate advantage of the accumulated experience in this and other countries. To carry our increasing traffic with efficiency we have to continue to make progress t wards heavier train loads, which means larger rolling stock, heavier locomotives and heavier axle loads with the natural consequence of stronger track and bridges. The normal length of life of bridges and permanent way make it necessary to take very long views of probable increase in loading and it is necessary therefore to continually study and improve the standards by which design of all this equipment is governed.

Another important item is 2 crores for electrification of lines. The opening of the electrified Harbour Branch at Bombay a year ago was mentioned as the first step in introducing electrification in India. Within the last few days the electric train service has been continued to Bandra, and the great improvement in the convenience which this affords to those who live in the suburbs and work in Bombay is expected to result in a large increase in traffic. The electrification of the suburban lines of the Bombay, Baroda and Central India Railway is well in hand, and when this is completed and electric trains take the place of steam trains in the whole of the Bombay suburban area, there is little doubt that Bombay will feel a very great benefit and that a better distribution of its great population may be looked for in the early future.

The re-examination of the problem of suburban traffic in Calcutta as the result of the decision to proceed with the construction of the new bridge at Bally, is now approaching completion, and we expect shortly to receive the report of the Electrical Engineers on the revised electrification scheme. If on this report it appears that a sound financial scheme can be worked out, there is little doubt that we shall go forward with it without delay and we hope that it will be possible to bring suburban passengers much nearer to the centre of the city than is now possible.

The Madras suburban traffic problem will also be dealt with in the coming year, and we expect to make considerable progress with the additional tracks on the South Indian Railway which are the primary necessity in this area. The question of electrification depends to some extent on the prospects of hydro-electric power supply and in regard to this we are in close touch with the Government of Madras.

On the Bombay side the main lines of the Great Indian Peninsula Railway are to be electrified as far as Poona and Igatpuri at a total cost of 5½ crores, and we are making a provision of 19 lakhs for the initial work next year.

We are continuing a fairly heavy programme of workshop improvement and remodelling including the provision of new plant and machinery, the necessity for which was fully explained and accepted at the time of last year's budget. So far as the State railways are concerned, the problem of co-ordinating the facilities and equipment in the larger workshops has become an urgent one. In making extensions and revisions of the lay-out of these workshops, which must be done if we are to work economically and take advantage of modern improvements, it is necessary to avoid overlapping and

duplicating where this is possible, and we, therefore, decided to get expert advice on the whole subject. We were fortunate in obtaining the services of Sir Vincent Raven, an eminent mechanical engineer and President of the Institution of Mechanical Engineers, and he and his committee are at present engaged on investigating this problem. We hope that as the result of the advice of this committee we shall get the best possible value from the expenditure which in any case will be necessary on these workshops in the near future.

16. The programme for rolling stock authorises the construction of 692 broad gauge units and 285 metre gauge units for lower class traffic, and 146 broad gauge and 71 metre gauge units for upper class, part of these being renewals and part additions. Altogether we are allotting 148 lakhs for additions and betterments to lower class stock. The work which can be put through in the year is still limited to a large extent by the capacity of our workshops, and in view of the fact that reductions in fares must, if they are to be justified, stimulate traffic, it will be understood that workshop improvement admits of no delay.

17. As regards locomotives, we are providing for the addition of 90 new broad gauge engines and 63 new metre gauge engines besides normal renewals. The policy of the Railway Board in regard to standardisation of locomotives has been fully explained in successive Administration Reports, and we have recently reached the point of having new standard designs for a number of types of locomotives finally drawn up. These standard designs embody modern locomotive practice which is considerably in advance of the present standard engines designed many years ago and are specially suited to Indian conditions. Before these types are finally accepted as our future standards, they must be tried out and any defects which become apparent in actual work must be eliminated by changes in design or detail as may be required. The provision in next year's budget will be largely utilised for obtaining the necessary number of trial engines to the new type to enable them to be tried on the principal railway systems under varying local conditions. This marks an important stage in our development and brings us measurably nearer to complete standardisation—a condition which will enormously simplify many of our present problems of repairs and renewals.

18. In concluding my remarks about rolling stock I may mention that the programme includes allotment for 2,702 additional goods wagons besides the renewal of 4,650 wagons during the year. It is, of course, necessary to place orders for wagons required in any one year several months before the beginning of the year owing to the time taken for manufacture and delivery. The various railway administrations requiring wagons of similar types agreed to combine in making a simultaneous call for tenders. These tenders from Indian, British and Foreign firms were examined by the Railway Board and orders have been placed with Indian wagon building firms to the full extent of their capacity as certified by the Indian Stores Department. The balance has been ordered from an English firm which submitted the lowest satisfactory tender. Prices quoted by the Indian firms were the lowest hitherto quoted by them. The difference between these prices and the equivalent of the lowest satisfactory quotation from abroad will be met from bounties payable under the Steel Protection Act.

New lines.

19. As will be seen from the Budget Memorandum we are expecting to have under construction during next year a new construction programme

of over 2,500 miles covering no less than 63 different projects. But this represents only a part of the development which we are actively considering. We have dealt with the problem of new construction on the basis of examining the whole country in separate areas roughly corresponding to the areas served by the different railway administrations, and we have asked each railway administration to prepare a continuous programme of survey and construction over a period of years taking, as in the case of the improvement programme, the quinquennium as the most suitable period for this purpose. The investigation of projects by means of surveys and the collection of data for traffic estimates takes a considerable time and the number of months in the year when this work can be undertaken is somewhat limited. Also most railways have been so pre-occupied during the past few years with the problem of improvement to their open lines that they have not been able to spare the necessary staff for the full investigation of the construction problem. We have got over this to some extent by special recruitment on a temporary basis, and we have arranged that most railways shall have an officer at headquarters specially engaged on this important work. We have also been in close consultation with Local Governments and are endeavouring to meet their wishes as regards the routes to be taken and the order in which projects shall be taken up. In this connection I may remind the Council of the arrangement we have established under which it is open to a Local Government, in cases where our estimates do not show a remunerative prospect, to obtain the construction of a railway by guaranteeing us against loss. This arrangement is already proving advantageous in enabling us to consider and bring up to date projects which would otherwise have been indefinitely deferred.

20. The programmes of work on survey and construction which the railway administrations are now engaged on, revising them and adding to them from year to year, indicate that we have only made a bare beginning on favourable construction projects and our improved financial position resulting from the separation of finances enables us to take a bold line in this direction. The total mileage of the projects which we have either sanctioned or are having investigated amounts to between 6,000 and 7,000 miles, and when all our arrangements are in full swing, I see no reason why we should not bring up our total yearly mileage addition to something in the neighbourhood of 1,000 miles. With this in view we are providing a larger allotment for survey work in the coming year with the object of completing and revising projects which promise to be satisfactory investments.

21. I will deal briefly with the various large areas which we have examined in the present investigation. In Burma construction is proceeding on a number of important new branches. In addition we have under consideration further branches which it is hoped will open up the country, while a survey is now being made for an extension to Tavoy and Mergui with the possibility of a connection in the future with the Siamese Government Railways. A survey is also in progress, in collaboration with the Government of Burma, for a better route through the Arakan mountains, a region which has hitherto opposed great physical difficulties to successful railway construction. The total mileage of the lines on the future programme of the Burma Railways amounts to about 1,800 miles in all, most of which, we hope, will prove to be of a remunerative nature.

In South India our papers will show that active construction is proceeding on the South Indian Railway on a programme contemplating the addition of 250 miles a year during the next 6 years.

The territory served by the Madras and Southern Mahratta Railway does not present such a promising field for new construction, but prospects are being investigated of a number of projects amounting with those already sanctioned to about 500 miles. New branches with a total length of about 100 miles have recently been sanctioned and others are under investigation.

In the area lying between the East Indian Railway and the East Coast which is largely served by the Bengal-Nagpur Railway we have two great projects in hand. The first is the Central Indian Coal Fields Railway with a total mileage of nearly 300 miles designed to serve the new Karanpura coalfields area and to give an outlet to Daltonganj on the one side and to the Bengal-Nagpur Railway main line on the other, with a future connection towards the west which it is hoped will enable the coal measures in Korea to be developed and will considerably cheapen the transport of coal to the west of India. The Hesla Chandil Railway, which forms a part of the scheme, will probably be opened in the course of the year, while the line from Bermo to South Karanpura has recently been completed. The second is the completion of the Raipur-Vizianagram line, 260 miles in length, with which is intimately connected the construction of a new harbour at Vizagapatam. Construction on the railway has commenced and a provision of 1¼ crores has been made for next year. Work on the harbour has also commenced, and the suction dredger which has been ordered is expected to arrive at the harbour next October. If all goes well, it is anticipated that a channel will be opened during next cold weather which by this time next year may enable an oceangoing ship to reach smooth water in the harbour area which is now being prepared for that purpose. I may mention that the harbour construction project does not find a place in the railway budget, but in the general budget, although for administrative reasons the work is under the control of the Railway Board.

In Eastern Bengal, several remunerative projects with a mileage of about 150 have recently been sanctioned, and several other projects are under investigation.

In Assam, we are in agreement with the views of the Board of Directors of the Assam-Bengal Railway that that railway can only be made to pay its way by the development of the area it serves by means of branches, and the Agent is preparing a programme which will eventually add a mileage of some 550 miles in that province. For the present we have sanctioned several small branches which give promise of bringing considerable additional traffic to the main line. I may say that after many years of unremunerative working this railway is at length shewing signs of reaching a better financial position, but it has many handicaps owing to its geographical position, and the greatest care is still necessary in watching expenditure.

In the United Provinces and Bihar, we hope to go forward with new construction through some of the prosperous districts which are still meagrely served by Railways and where there is a chance of improving traffic to the benefit of the locality and to the main lines of railway. At present between 200 and 300 miles of new lines are under consideration.

The problem on the Bombay side is being tackled by the Great Indian Peninsula Railway and the Bombay, Baroda and Central India Railway, and it is hoped that the result of their present investigations will enable us to go forward with new construction in that area on a fairly extensive

scale, although it must be admitted that except for cheaply constructed branch lines there is not the same inducement to build as there is in some of the more populated and highly cultivated areas.

In the Punjab, we have already come to decisions in regard to some of the projects which have been under consideration, and apart from the Kangra Valley Railway on which construction is now commencing, we hope shortly to begin work on the Narowal-Amritsar connection and the Narowal-Shahdera line, while we have recently appointed a special engineer to investigate a large number of smaller projects, some of which were formerly considered to be suitable for agricultural tramways. We have been working in agreement with the Punjab Government in this matter, and we have decided that many of these lines can only prove to be remunerative if built on a lower standard than that usually adopted. We have in fact in preparation a scheme of building light broad gauge branches suitable for agricultural areas which, with the facility they give for interchange of rolling-stock, we believe, will prove of great use to the local population. I would draw attention to the assistance which it is hoped that railways will thus be enabled to give towards the improvement and betterment of agriculture generally, and I have no doubt that this subject will be one which will be of interest to the Royal Commission which has recently been announced, when it comes to make the investigation.

In Sind also we have taken up the question of feeder lines in agricultural districts where extensions of irrigation promise a definite improvement in output, and North Western Railway administration are in close communication with the local authorities in that province.

In concluding this review of the construction programme I would repeat that the mileage added to the railways last year and this year are only a partial index to the work which we have in hand and that we expect before long to reach a much higher output.

General Matters.

22. I now wish to mention a few of the directions which our activities have taken during the past year and in which we hope to make further progress during the coming year, but which are not perhaps very apparent from the papers connected with the Budget.

Management and Organisation.

23. The direct management of the Great Indian Peninsula Railway was taken over on 1st July 1925 and a few months later the Allahabad-Jubbulpur line was transferred from the management of the East Indian Railway to that of the Great Indian Peninsula Railway, thus completing the rearrangement which had been earlier decided on. The amalgamation of the East Indian Railway and the Oudh and Rohilkhand Railway and the transfer of certain portions of the combined system to the North Western Railway administration has resulted in consolidating our State-managed railways into self-contained units, each working in a well defined geographical area. These administrations are now organised on a Divisional basis and the new organisation is already showing satisfactory results. It is interesting to note that several of the Company-managed railways are considering the adoption of a somewhat similar organisation.

Rates Advisory Committee.

24. His Excellency the Viceroy recently announced in this Council the appointment of Sir Narasimha Sarma, the former distinguished Leader of

this House, to be the first President of the Rates Advisory Committee. It is expected that the Committee will be fully constituted very shortly, and that it will be able to take up its duties by the beginning of April. It is a matter for great satisfaction that we have come to an agreement with the Company-managed railways which enables us to constitute this Committee because the Railway Board have consistently held the view that the work which it will undertake in investigating questions of railway rates will serve to present to the public a reasoned analysis of the system upon which railway charges in general are based, and thus help to meet in a large measure the criticism, at present mostly of an uninformed nature, which is so frequently levelled against the present system. We court the fullest publicity in these matters, and it is the inherent difficulty in explaining the details of the problem to those who naturally only see one side of it, which has so often given rise to difficulties in the past in justifying what is being done by the railways. We also believe that the study and examination of the various rates problems which the Committee will no doubt be called upon to investigate will be of practical and constructive assistance to the railway administrations themselves in building up rates structures on a scientific and generally understood basis. We, therefore, look forward with confidence to the establishment of this body and the results of its labours.

Health of Railway Staff.

25. One of our greatest preoccupations is concerned with the many difficult questions which centre round the problem of the health and comfort of railway staff. I am aware that there is a school of thought which professes to regard this problem as of subsidiary importance or even of no importance at all compared with the comfort of our clients—the travelling public—and are prone to read into any provision which we may make for the betterment of the conditions of the staff a necessary neglect of the passenger and his comfort. There are others who accuse us of wilful ill-treatment and a callous neglect of the interests of those who serve the railways. Actually the subject is always before us and the railway administrations, and there are at present sitting committees of the Indian Railway Conference Association to consider, for instance, how the conditions of railway labour can best be brought into line with the obligations assumed by India under the various International Labour Conventions. That subject is a very complex one, and there is always a danger in generalising, but at any rate we have made a great deal of progress in the direction of complete conformity with the standards laid down, and I hope that the result of this committee work now being done will help to resolve some of the practical difficulties. But in the direction of improvement in health and surroundings there is much to be done, and during the last year we have had a senior administrative medical officer on special duty to study the problem on the North Western Railway. The object of his investigations has been to devise a better organisation for medical treatment of the staff on that railway and for dealing with public health problems in railway settlements. We have his report now under consideration, and I hope that in the course of next year we shall be able to bring about the desired improvement, for we are satisfied that improvement is necessary. The officer referred to has visited practically every railway in India and has made a careful study of the medical arrangements on each of them. His work has assisted in making it clear that a great deal has yet to be done in studying the incidence of sickness and disease amongst railway employés, and apart

from the obvious obligation to give these men adequate opportunities of treatment the subject has its commercial aspect in the loss of working time which at present preventible disease entails.

Timber Supplies.

26. Another important subject on which we have been working is the improvement of supplies of indigenous timber for various classes of railway work. Last year we had an examination of the sources of timber supply for sleepers throughout India and subsequently we had an enquiry into the possibility of extended use of cheaper Indian timber in coach building. In both of these investigations the Forest Research Institute at Dehra Dun afforded us very valuable assistance as well as helping us with advice and supervision in connection with the sleeper treating plant which we have established in the Punjab. In furtherance of the object in view, namely, the use of indigenous timber to the fullest extent possible coupled with economical purchasing we have attached to our staff as a temporary measure an officer of the Imperial Forest Service who helps our purchasing officers, keeps our engineers and other users of timber in touch with local conditions of supply, and who will, I hope, afford useful help in exploring the uses of cheaper substitutes for the few timbers which have so long been regarded as the only ones suitable for railway work.

Training of the Staff.

27. The School of Transportation which we have started at Chandausi has done good work during the year, and over 1,000 railway men, officers, upper subordinates, and lower subordinates, Indian, Anglo-Indian and Europeans, selected mainly from the East Indian Railway and North Western Railway have attended for varying periods for courses of instruction in railway duties. Junior officers and probationers from most of the railways have also been sent for training. The accommodation at the school is rapidly becoming inadequate to the requirements of the upper and lower subordinates from the area which it is designed to serve, and it will be necessary in the early future to separate the senior classes and move them to another centre in order to cope with the subordinate staff training. The object we are aiming at is to make provision for courses of training and refresher courses for all the staff who have duties in connection with train movement, and it is obvious that the full benefit of this scheme will not be attained until the school is equipped to deal with a sufficient yearly quota to enable all the staff in the area to attend within a period of a few years. For this purpose Chandausi as an area school will deal with the Northern Divisions of the East Indian Railway and the Eastern Divisions of the North Western Railway. The remainder of the East Indian Railway staff are at present dealt with at Asansol where a similar school exists, but this will eventually be removed to Sahebganj and suitably expanded. A similar area school is now being constituted at Lyallpur on the North Western Railway while the Great Indian Peninsula Railway are arranging to establish one at Bina.

As I have said, the time is approaching for the officers classes now at Chandausi including the probationers training to be moved to another centre where it will be possible to develop them on broader lines with the eventual aim of establishing a Railway Staff College for the training of the superior staff of various departments. We have been looking for a suitable site and there is now the possibility of obtaining one at Dehra Dun. We hope,

therefore, that in the near future we may be able to see the beginnings of this new institution which, in my opinion, will be of incalculable benefit to our railways.

Railway Accounts.

28. In one of the matters on which we received healthy advice from Sir William Acworth's Committee, namely, the re-organising of our accounts on a commercial basis it must be confessed that we have not made much progress, although we have made a beginning by introducing a new system of compiling statistics with very great benefit to the work of all our departments. We have further with the assistance and the approval of the Auditor General and the Finance Department undertaken an experiment on the East Indian Railway in the direction of separation of accounts from audit. Our accounts however still bear the impress of many years of association with those of Government Departments of a purely administrative character, and I am very glad to say that it has at last been decided to have them overhauled from top to bottom by a firm of commercial accountants of world-wide repute, who have great experience of railway accounting in Great Britain and America. In this wise decision I venture to hope that we have at length seen appreciation of the fundamental difference between audit and accounting, and I trust that it will be the means of putting into the hands of both our administrative and executive officers accounts which will show them easily, and from day to day, the true commercial aspect of the various branches of work they control, while affording us the very great benefit of completely independent auditing of our accounts. I do not think I shall find any one to quarrel with the statement that accounts should be the servant and not the master of a commercial undertaking or with our determination to give effect to this principle in the commercial business of railway management.

CONCLUSION.

29. I have earlier in my speech compared the position of the railways now with their position when they were reported on by Sir William Acworth's Committee and Lord Inchcape's Committee, and in concluding my remarks I would like to draw attention again to this startling change. The railways are now paying their way. They are not only paying a satisfactory return on the capital invested, which in itself gives confidence in embarking on an extensive programme of new construction, but they are already building up reserves, although the process of rehabilitation, improvement and development goes on at a rate not thought attainable 3 years ago. And lastly while we believe they are meeting the transportation needs of the country more fully than ever before, they have been able to make a beginning in the reduction of their charges to the public for the commodity which they sell. With this short summary I feel that I can confidently leave the Budget to the friendly criticism of this Council, but I should like finally to pay a tribute to the energy and ability with which the Agents and officers of the various railway administrations have approached the great problem of reconstruction as well as the loyalty and efficiency of the staff of all grades in carrying out their daily work in the service of the public and in the interests of the railway systems on which they serve.

Schedule of demands for grants for expenditure of the Central Government on Railways for the year 1926-27 submitted for the vote of the Legislative Assembly.

Number of Demand.	Service to which demand relates.	Amount.
	A.—EXPENDITURE FROM REVENUE.	Rs.
	Commercial Lines—	
1	Railway Board	9,68,000
2	Inspection	1,10,000
3	Audit	8,63,000
4	Working Expenses: Administration	12,68,99,000
5	Working Expenses: Repairs and Maintenance and Operation	41,44,40,000
6	Companies' and Indian States' share of surplus profits and net earnings.	1,51,00,000
9	Appropriation to Depreciation Fund	11,05,00,000
10	Appropriation from Depreciation Fund	8,50,00,000
11	Miscellaneous	43,60,000
12	Appropriation to the Reserve Fund	2,70,07,000
13	Appropriation from the Reserve Fund	...
14	*Strategic Lines*	1,70,13,000
	B.—EXPENDITURE CHARGED TO CAPITAL.	
	Commercial Lines—	
7	New Construction	6,45,07,000
8	Open Line Works	18,91,00,000
15	*Strategic Lines*	58,00,000

Note.—As regards the demands refused by the Assembly, see paragraph 2 of Government of India, Finance Department, Resolution No. 3503-F., dated the 25th March 1926 (page 186 of this volume).

BUDGET*

OF THE

Railway Revenue and Expenditure of the Government of India,

March 1926

ACCOUNTS	1924-25
REVISED ESTIMATES	1925-26
BUDGET ESTIMATES	1926-27

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* Published with Government of India, Finance Department Resolution No. 3503-F., dated the 25th March 1926 (pages 186 and 187 of this volume).

1.—Statement of the Revenue of the Central

HEADS OF REVENUE.	Accounts, 1924-25.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XI.—State Railways—						
(*a*) Commercial lines—						
Gross receipts—						
Passenger traffic earnings :—						
Upper class . .	4,33,90,000	...	...	4,33,90,000	4,39,93,000	..
Lower class . .	31,03,87,579	...	...	31,03,87,579	32,48,47,000	...
Other coaching traffic earnings.	5,78,07,521	...	...	5,78,07,521	5,86,95,000	...
Goods traffic earnings .	62,80,73,288	...	..	62,80,73,288	60,55,22,000	...
Hire charges and other payments from Railways.	91,06,000	...	...	91,06,000	81,86,000	...
Sundry earnings . .	1,56,13,894	4,82,355	1,79,276	1,62,75,525	1,62,67,000	4,83,000
Total earnings .	1,06,43,78,282	4,82,355	1,79,276	1,06,50,39,913	1,05,74,50,000	4,83,000
Deduct—Earnings of worked lines.	*7,33,85,711*	...	...	*7,33,85,711*	*6,91,86,000*	...
Earnings of State Railways.	99,09,92,571	4,82,355	1,79,276	99,16,54,202	98,82,64,000	4,83,000
Suspense . . .	28,15,119	...	...	28,15,119	3,61,000	...
Gross receipts of State Railways.	99,38,07,690	4,82,355	1,79,276	99,44,69,321	98,86,25,000	4,83,000
Deduct—Working expenses of State Railways.*	*60,95,02,236*	...	...	*60,95,02,236*	*63,70,83,000*	*12,50,000*
Surplus profits paid to Indian States and railway companies.	1,42,27,560	...	..	1,42,27,560	1,75,90,000	...
Net receipts . . .	37,00,77,894	4,82,355	1,79,276	37,07,39,525	33,39,52,000	—7,67,000
(*b*) Strategic lines—						
Gross receipts . .	1,59,86,637	...	...	1,59,86,637	1,63,75,000	...
Deduct—Working expenses	*1,95,76,450*	...	...	*1,95,76,450*	*2,04,94,000*	...
Net receipts . . .	—35,89,813	...	...	—35,89,813	—41,19,000	...
Total net receipts, Commercial and Strategic lines.	36,64,88,081	4,82,355	1,79,276	36,71,49,712	32,98,33,000	—7,67,000
Interest on Depreciation and Reserve Funds.	21,28,998	...	...	21,28,998	54,06,000	...
XII.—Subsidized Companies: Government share of surplus profits.	4,62,609	18,66,166	6,87,212	30,15,987	4,52,000	22,75,000
Total receipts .	36,90,79,688	23,48,521	8,66,488	37,22,94,697	33,56,91,000	15,08,000

*For details see statement 1 (*a*).

J. M. HARTLEY,
Accountant General, Railways.

DELHI,
RAILWAY DEPARTMENT;
The 20th March 1926.

Government from railways in India and England.

1925-26.		Increase (+) Decrease (−) as compared with the Budget Estimate, 1925-26.	Budget Estimate, 1926-27.				Increase (+) Decrease (−) as compared with the Revised Estimate, 1925-26.
Exchange.	Total.		India.	England.	Exchange.	Total.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	4,39,33,000	+37,80,000	4,41,35,000	...	...	4,41,35,000	+2,02,000
...	32,48,47,000		32,37,95,000	...	...	32,37,95,000	−10,52,000
...	5,86,85,000	+5,95,000	5,93,17,000	...	...	5,93,17,000	+6,32,000
...	60,55,22,000	−2,44,78,000	62,56,14,000	...	...	62,56,14,000	+2,00,92,000
...	81,86,000	−28,50,000	86,60,000	...	...	86,60,000	+4,74,000
1,58,000	1,69,08,000		1,70,79,000	4,83,000	1,61,000	1,77,23,000	+8,15,000
1,58,000	1,05,80,91,000	−2,29,53,000	1,07,86,00,000	4,83,000	1,61,000	1,07,92,44,000	+2,11,53,000
...	*6,91,86,000*	−47,14,000	*6,47,29,000*	...	...	*6,47,29,000*	−44,57,000
1,58,000	98,89,05,000	−1,83,39,000	1,01,38,71,000	4,83,000	1,61,000	1,01,45,15,000	+2,56,10,000
...	3,61,000	+3,61,000	−3,14,000	...	...	−3,14,000	−6,75,000
1,58,000	98,92,66,000	−1,78,78,000	1,01,35,57,000	4,83,000	1,61,000	1,01,42,01,000	+2,49,35,000
4,08,000	*63,87,41,000*	−1,91,96,000	*64,94,74,000*	*18,15,000*	*6,05,000*	*65,18,94,000*	+1,31,53,000
...	1,75,90,000	+42,40,000	1,51,00,000	...	...	1,51,00,000	−24,90,000
−2,50,000	33,29,35,000	−29,22,000	34,89,83,000	−13,32,000	−4,44,000	34,72,07,000	+1,42,72,000
...	1,63,75,000	−21,25,000	1,67,43,000	...	...	1,67,43,000	+3,68,000
...	*2,04,94,000*	−12,31,000	*2,11,05,000*	...	...	*2,11,05,000*	+6,11,000
...	−41,19,000	−8,94,000	−43,62,000	...	...	−43,62,000	−2,43,000
−2,50,000	32,58,16,000	−38,16,000	34,46,21,000	−13,32,000	−4,44,000	34,28,45,000	+1,40,29,000
...	54,06,000	+21,71,000	81,54,000	...	...	81,54,000	+27,48,000
7,42,000	34,69,000	+3,92,000	5,14,000	21,90,000	7,30,000	34,34,000	−35,000
4,92,000	33,76,91,000	−12,53,000	35,32,89,000	8,58,000	2,86,000	35,44,33,000	+1,67,42,000

A. M. HAYMAN,
Offg. Financial Commissioner.

1(*a*).—Statement of Working Expenses of State

	Accounts, 1924-25.				Revised Estimate.	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Administration . . .	12,32,69,604	...	...	12,32,69,604	12,86,42,000	12,50,000
Repairs and maintenance .	17,50,23,815	...	...	17,50,23,815	17,80,09,000	...
Operation	25,55,10,090	...	...	25,55,10,090	26,74,14,000	...
Refunds of Revenue . .	...	...	...	...	...	...
Depreciation	9,94,51,266	...	...	9,94,51,266	10,24,18,000	...
Suspense	—37,64,082	...	...	—37,64,082	—12,50,000	...
Total .	64,95,20,693	...	...	64,95,20,693	67,52,33,000	12,50,000
Deduct—Share of Worked Lines.	4,00,18,457	...	...	4,00,18,457	3,81,50,000	...
Working Expenses .	60,95,02,236	...	...	60,95,02,236	63,70,83,000	12,50,000

J. M. HARTLEY,
Accountant General, Railways.

Delhi,
Railway Department;
The 20th March 1926.

Railways—Commercial Lines.

1925-26.		Increase (+) Decrease (—) as compared with Budget, 1925-26.	Budget Estimate, 1926-27.				Increase (+) Decrease (—) as compared with Revised, 1925-26.
Exchange.	Total.		India.	England.	Exchange.	Total.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4,08,000	13,03,00,000	+24,00,000	12,85,79,000	18,15,000	6,05,000	13,09,99,000	+6,99,000
...	17,80,00,000	—94,01,000	18,24,50,000	...	...	18,24,50,000	+44,41,000
...	26,74,14,000	—65,73,000	26,64,51,000	...	...	26,64,51,000	—9,63,000
...	...	...	30,00,000	...	...	30,00,000	+30,00,000
...	10,24,18,000	—13,82,000	10,64,14,000	...	...	10,64,14,000	+39,96,000
...	—12,50,000	—28,00,000	—16,70,000	...	...	—16,70,000	—4,20,000
4,08,000	67,68,91,000	—1,78,46,000	68,52,24,000	18,15,000	6,05,000	68,76,44,000	+1,07,53,000
...	3,81,50,000	+13,50,000	3,57,50,000	...	...	3,57,50,000	—24,00,000
4,08,000	63,87,41,000	—1,91,96,000	64,94,74,000	18,15,000	6,05,000	65,18,94,000	+1,31,53,000

A. M. HAYMAN,
Offg. Financial Commissioner.

2.—Statement of the expenditure on railways charged to

Head of Expenditure.	Accounts, 1924-25.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10. State Railways:—						
Interest: commercial lines:						
on Government capital at charge	11,04,11,072	6,51,46,473	2,44,63,946	20,00,21,491	12,06,40,000	7,26,97,000
on capital contributed by Indian States and Companies.	2,89,869	1,92,18,223	72,07,525	2,67,15,617	2,90,000	1,23,77,000
Total interest, commercial lines	11,07,00,941	8,43,64,696	3,16,71,471	22,67,37,108	12,09,30,000	8,50,74,000
Interest, strategic lines	1,22,77,085	...	...	1,22,77,085	1,26,04,000	...
Total interest	12,29,78,026	8,43,64,696	3,16,71,471	23,90,14,193	13,35,34,000	8,50,74,000
11. Subsidized Companies: Land and subsidy.	3,09,285	...	...	3,09,285	7,30,000	...
12. Miscellaneous Railway expenditure—						
Commercial lines	—10,55,569	17,24,435	6,41,071	13,69,937	—1,01,000	22,02,000
Strategic lines	12,343	...	...	12,343	44,000	...
Payments to general revenues—						
Contribution*	5,09,38,083	...	...	5,09,38,083	5,09,38,000	...
One-third of the excess of railway surplus over three crores.	1,69,03,599	...	...	1,69,03,599	22,60,000	...
Total payment to general revenues	6,78,41,682	...	...	6,78,41,682	5,31,98,000	...
Reserve Fund	6,38,07,197	...	...	6,38,07,197	3,45,21,000	...
Total	25,38,03,024	8,60,89,131	3,23,12,542	37,22,04,697	22,19,26,000	8,73,76,000

* For details see Statement 2 *(a)*.

J. M. HARTLEY,
Accountant General, Railways.

Delhi,
Railway Department;
The 20th March 1926.

the revenue of the Central Government in India and in England.

1925-26.		Increase (+) Decrease (—) as compared with Budget, 1925-26.	Budget Estimate, 1926-27.				
Exchange.	Total.		India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1925-26.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2,37,30,000	21,70,67,000	—44,84,000	13,17,46,000	7,43,18,000	2,47,73,000	23,08,37,000	+1,37,70,000
40,40,000	1,67,07,000	+76,000	3,00,000	1,17,20,000	39,07,000	1,59,27,000	—7,80,000
2,77,70,000	23,37,74,000	—44,08,000	13,20,46,000	8,60,38,000	2,86,80,000	24,67,64,000	+1,29,90,000
...	1,26,04,000	+4,80,000	1,29,84,000	...	...	1,29,84,000	+3,80,000
2,77,70,000	24,63,78,000	—39,19,000	14,50,30,000	8,60,38,000	2,86,80,000	25,97,48,000	+1,33,70,000
...	7,30,000	+1,80,000	8,40,000	...	...	8,40,000	+1,10,000
7,19,000	28,20,000	—22,000	38,49,000	21,60,000	7,20,000	67,29,000	+39,09,000
...	44,000	+44,000	22,000	...	...	22,000	—22,000
...	5,69,38,000	—14,000	6,00,87,000	...	...	6,00,87,000	+91,49,000
...	22,60,000	+8,26,000	...	...	...	...	—22,60,000
...	5,31,98,000	+8,12,000	6,00,87,000	...	...	6,00,87,000	+68,89,000
...	3,45,21,000	+16,52,000	2,70,07,000	...	...	2,70,07,000	—75,14,000
2,84,89,000	33,76,91,000	—12,53,000	23,68,35,000	8,81,98,000	2,94,00,000	35,44,33,000	+1,67,42,000

A. M. HAYMAN,
Offg. Financial Commissioner.

2 (*a*).—Contribution from Railway to general revenues, 1925-26.

(Based on actuals, 1923-24.)

	Rs.	Rs.
1. 1 per cent. on capital of 5,40,38,06,631 at charge, commercial lines	...	5,40,38,066
2. (i) Receipts—		
Gross traffic receipts, commercial lines	92,94,37,194	
Subsidised Companies, share of surplus profits	23,64,135	
		93,18,01,329
(ii) Charges—		
Working expenses, commercial lines	59,15,60,185	
Indian States and Railway Companies' share of surplus profits	1,14,46,008	
Interest—		
On capital at charge, commercial lines	19,66,79,525	
On capital contributed by Indian States and Companies	3,09,94,374	
Land and subsidy	5,40,450	
Miscellaneous Railway expenditure	15,25,670	
Contribution at 1 per cent. on capital at charge, commercial lines	5,40,38,966	
		88,67,85,178
(iii) Surplus	...	4,50,16,151
(iv) Contribution of one-fifth of surplus	...	90,03,230
3. (i) Total contribution from railway revenues [1 *plus* 2 (iv)]	...	6,30,42,196
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital of 26,22,57,763	1,02,37,398	
(ii) Loss in working	18,66,715	
		1,21,04,113
(ii) Net payment due from railway to general revenues in 1925-26	...	5,09,38,083

J. M. HARTLEY,
Accountant General, Railways.

A. M. HAYMAN,
Offg. Financial Commissioner.

DELHI,
RAILWAY DEPARTMENT;
The 20th March 1926.

2 (*a*).—Contribution from railway to General Revenues, 1926-27.

(Based on actuals, 1924-25.)

	Rs.	Rs.
1. 1 per cent. on capital of 5,80,75,63,148 at charge, commercial lines	...	5,80,75,631
2. (i) Receipts—		
Gross traffic receipts, commercial lines	99,44,69,331	
Interest on Depreciation and Reserve Fund balances	21,28,998	
Subsidised Companies share of surplus profits	30,15,987	
		99,96,14,306
(ii) Charges—		
Working expenses, commercial lines	60,95,02,236	
Indian States and Railway Companies' share of surplus profits	1,43,27,560	
Interest—		
On capital at charge, commercial lines	20,00,21,491	
On capital contributed by Indian States and Companies	2,67,15,617	
Land and subsidy	3,09,285	
Miscellaneous railway expenditure	13,09,997	
Contribution at 1 per cent. on capital at charge, commercial lines	5,80,75,631	
		91,01,61,817
(iii) Surplus	...	8,94,52,489
(iv) Contribution of one-fifth of surplus	...	1,78,90,498
3. (i) Total contribution from railway revenues [1 *plus* 2 (iv)]	...	7,59,66,129
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital of 26,86,77,078	1,22,77,085	
(ii) Loss in working	36,02,156	
		1,58,79,241
(ii) Net payment due from railway to general revenues in 1926-27	...	6,00,86,888

J. M. HARTLEY,
Accountant General, Railways.

A. M. HAYMAN,
Offg. Financial Commissioner.

DELHI,
RAILWAY DEPARTMENT,
The 20th March 1926;

3.—Statement of receipts of the Central Government in India and England for State

Heads of Account.	Accounts, 1924-25.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XLI.—Capital contributed by Railway Companies and Indian States towards outlay on State Railways	....	—34,59,000	—14,76,338	—49,26,338	...	73,50,000

J. M. HARTLEY,
Accountant General, Railways.

DELHI,
RAILWAY DEPARTMENT;
The 20th March 1926.

Capital contributed by Railway Companies and Indian States towards outlay on Railways.

1925-26.			Budget Estimate, 1926-27.				
Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1925-26.	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1925-26.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
23,99,000	97,49,000	+5,52,12,000	...	2,21,39,000	73,80,000	2,95,19,000	+1,97,70,000

A. M. HAYMAN,
Offg. Financial Commissioner.

4.—Statement of the Capital Expenditure of the

Heads of Expenditure.	Accounts, 1924-25.				Revised Estimate,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Railway Capital not charged to Revenue :—						
53.—Construction of State Railways :—						
(a) Commercial Lines—						
Open Line Works—						
Rolling Stock . . .	...	...	...	5,85,11,511	...	...
Other Works . . .	...	...	...	9,58,48,269	...	...
New Lines	...	...	...	2,96,81,297	...	...
Suspense	...	...	...	—5,58,62,037	...	...
(b) Strategic Lines . . .	...	...	...	64,19,316	...	...
Deduct—Probable Savings . . .	...	...	...	...	...	...
Total .	4,70,23,955	6,42,02,347	2,32,82,054	13,45,98,356	9,34,63,000	7,65,50,000
53-A.—Discharge of Debentures . .	...	...	...	...	...	80,35,000
54.—Redemption of liabilities involved in purchase of Railways . .	...	...	...	...	...	2,57,50,000

Delhi,
Railway Department ;
The 20th March 1926.

J. M. HARTLEY,
Accountant General, Railways.

Central Government in India and England on Railways.

1925-26.			Budget Estimate, 1926-27.				
Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1925-26.	India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1925-26.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	5,93,00,000	—2,42,89,000	...	...	...	7,90,09,000	+1,96,49,000
...	11,26,77,000	—5,96,98,000	...	...	...	21,54,85,000	+10,28,08,000
...	3,50,63,000	—4,93,46,000	...	...	...	9,75,94,000	+6,25,31,000
...	—1,75,00,000	+40,53,000	...	...	...	—1,20,65,000	+54,35,000
...	54,00,000	+25,50,000	...	...	...	58,00,000	+4,00,000
...	...	—9,17,30,000	...	...	...	12,58,23,000	+12,58,23,000
2,49,67,000	19,50,00,000	—3,50,00,000	10,90,87,000	11,31,85,000	3,77,28,000	26,00,00,000	+6,50,00,000
26,23,000	1,06,58,000	+1,06,58,000	...	2,71,39,000	90,46,000	3,61,85,000	+2,55,27,000
84,05,000	3,41,55,000	—1,78,000	...	...	...	...	...

A. M. HAYMAN,
Offg. Financial Commissioner.

A.—Railway Depreciation Fund.

	Accounts, 1924-25.	Budget Estimate, 1925-26.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.		Accounts, 1924-25.	Budget Estimate, 1925-26.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance	...	2,10,00,000	3,05,98,501	6,70,98,501	Appropriation from Depreciation Fund.	7,29,01,499	9,50,00,000	7,00,00,000	8,50,00,000
Appropriation to Depreciation Fund.	10,35,00,000	10,73,25,000	10,65,00,000	11,05,00,000	Closing balance.	3,05,98,501	3,33,25,000	6,70,98,501	9,25,98,501
TOTAL .	10,35,00,000	12,83,25,000	13,70,98,501	17,75,98,501	TOTAL .	10,35,00,000	12,83,25,000	13,70,98,501	17,75,98,501

J. M. HARTLEY,
Accountant General, Railways.

A. M. HAYMAN,
Offg. Financial Commissioner.

DELHI,
RAILWAY DEPARTMENT;
The 20th March 1926.

B.—Railway Reserve Fund.

	Accounts, 1924-25.	Budget Estimate, 1925-26.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.		Accounts, 1924-25.	Budget Estimate, 1925-26.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	...	4,99,65,000	5,99,78,400	9,44,99,400	Appropriation from Reserve Fund.	38,28,797	...	...	...
Appropriation to Reserve Fund.	6,38,07,197	3,28,69,000	3,45,21,000	2,70,07,000	Closing Balance.	5,99,78,400	7,38,34,000	9,44,99,400	12,15,06,400
TOTAL .	6,38,07,197	7,38,34,000	9,44,99,400	12,15,06,400	TOTAL .	6,38,07,197	7,38,34,000	9,44,99,400	12,15,06,400

J. M. HARTLEY,
Accountant General, Railways.

A. M. HAYMAN,
Offg. Financial Commissioner.

DELHI,
RAILWAY DEPARTMENT;
The 20th March 1926.

Explanatory Memorandum of the Railway Budget for 1926-27.

This Memorandum is intended to explain the principal features of the estimates for 1925-26 and the budget estimates for 1926-27. The demands for grants for the next financial year contain explanations of any increased expenditure provided for.

2. The main budget, the subsidiary statements and the statement of demands have been prepared in the form accepted by the Standing Finance Committee for Railways except that certain minor alterations in the arrangement of the figures have been made in order to print the budget, etc., in royal octavo size. Details of the estimates for each railway are given in the form of a self-contained book which contains an explanatory memorandum briefly dealing with the more important features of the estimates.

3. The Standing Finance Committee for Railways held meetings on 14 days during the current financial year at which they gave their opinions on all important financial changes, reviewed and approved of the programme of expenditure on new construction and rehabilitation for each railway system and discussed the estimates for the more important works individually. The estimates both for receipts and expenditure and the demands for grants for the ensuing year were also fully discussed with the Committee which also considered and approved of this memorandum. The proceedings of the Committee have been circulated to the Members of the Legislative Assembly.

4. *Capital (Head of Account—"53—Construction of State Railways").* The programme for 1925-26 as approved by the Legislative Assembly provided for capital expenditure amounting to 32·07 crores. This represented the amount which Agents of Railways considered that they would be able to spend. The estimates of Agents were, however, considered to be too optimistic and the Railway Board provided for a probable saving of 9·17 crores. The grant for the year was accordingly fixed at 22·90 crores. This latter figure, however, represented the estimated net addition to the capital at charge of railways, and, as provision was made for a reduction of 1½ crores in the amount of capital locked up in stores balances, the total capital expenditure provided for works was 24·40 crores.

5. The revised estimate of the net addition to railway capital is now put at 19½ crores and, as this allows for a reduction of capital locked up in stores by 1¾ crores, the estimated expenditure on works is now 21¼ crores, involving a lapse of 3·15 crores. The estimated expenditure for the year therefore shows a substantial advance over the expenditure of last year which amounted to approximately 19 crores, due to improvements in the arrangements for the carrying out of capital works on various railways. Further steps are being taken to accelerate the rate of expenditure on the approved programme and, while the method of budgetting for the capital grant has had the effect of considerably reducing the lapse (which amounted to 17·84 crores in 1923-24 and to 16½ crores in 1924-25), it is hoped to attain ever

greater accuracy in time as Agents get more familiar with the change in system and as improvements are effected in the arrangements of estimating for the programme for works.

Of the lapse this year about 40 lakhs occurs in the open line part of the programme and 3 crores on the estimated expenditure on new lines. The lapse on the open lines is almost entirely due to the necessity for overhauling some of the more important projected schemes and to the late receipt of imported material. One reason for the lapse in the expenditure on construction of new lines is the delay that occurs in land acquisition proceedings. The principal lapse occurred in the case of the Raipur Parvatipur Railway where against a provision of 134 lakhs an expenditure of only 14 lakhs is anticipated; this is mainly due to the fact that the estimates for the project had to be overhauled before the work could be actively put in hand. Considerable lapses have also occurred in the budget provision for the Central Indian Coalfields and the Villupuram Trichinopoly Railways chiefly because the alignment of these lines has required further investigation. It has been possible, however, to make greater progress with the Talchir Coalfields Railway than was anticipated, where the expenditure has exceeded the budget provision to the extent of 16 lakhs.

6. The programme of operations for the current financial year provided for an estimated expenditure of 9½ crores by appropriation from the Depreciation Fund. The anticipated expenditure is 7 crores. The lapse of 2½ crores is due to the same causes as the lapse in open line capital expenditure.

7. The programme for capital expenditure and expenditure from the Depreciation Fund on replacement and renewals of wasting assets for the year 1926-27 provides for the amounts which it is anticipated will be spent on works approved of by the Railway Board and the Standing Finance Committee for Railways. The Agents anticipate that on these approved works they will be able to spend 34·58 crores on capital account and 10·65 crores on replacement account. While it is proposed to authorise them to spend up to this amount, the Railway Board consider that the estimates made by Agents are still too optimistic and are of opinion that as far as can be foreseen at present no more than 22 crores of capital expenditure and 8·50 crores of replacement expenditure will be spent. The figure of 22 crores of capital expenditure is distributed as follows between open lines and new lines :—

	Crores. Rs.
1. Open lines	15·44
2. New lines	6·56
TOTAL .	22·00

8. The demand for capital expenditure for the next year is placed at 26 crores which includes a provision of 4 crores for the purchase of the Delhi Umballa Kalka Railway. The terms of the purchase of this railway are stated in a memorandum that was placed before the Standing Finance Committee for Railways and which is printed as Annexure A to this memorandum.

9. Of the gross sum of 34·58 crores, 24·76 crores are allotted for open line facilities and rolling stock with a consequent provision of

10·65 crores for expenditure from the Depreciation Fund. For the construction of new lines and lines already in progress the allotment proposed is 9·82 crores.

10. The distribution of the total capital allotment on State Railways worked by the State and by Companies, under England and India, in each of the three years from 1924-25 to 1926-27, is as follows :—

Items.		Actuals, 1924-25.	1925-26. Budget.	1925-26. Revised.	Budget, 1926-27.
England—					
Sterling payments	£	6,429,235	10,829,100	7,655,000	14,518,900
Converted into rupees at 2s. to the rupee	Rs.	6,42,92,347	10,82,91,000	7,65,50,000	14,51,89,000
Exchange . .	Rs.	2,32,82,054	3,60,97,000	2,49,87,000	4,83,96,000
Total England	Rs.	8,75,74,401	14,43,88,000	10,15,37,000	19,35,85,000
Probable savings .	Rs.	...	4,41,54,670	...	4,26,72,000
Net . . .	Rs.	8,75,74,401	10,02,33,330	10,15,37,000	15,09,13,000
India . .	Rs.	4,70,23,954	17,63,42,000	9,34,63,000	19,22,38,000
Probable savings	Rs.	...	4,75,75,330	...	8,31,51,000
Net . . .	Rs.	4,70,23,954	12,87,66,670	9,34,63,000	10,90,87,000
Total England and India . .	Rs.	13,45,98,355	22,90,00,000*	19,50,00,000	26,00,00,000

* *Excludes 10 lakhs on account of provision made in the Budget estimate for probable supplementary grant.*

11. The following table compares the allotments made for open lines and lines under construction in 1926-27 with the actual expenditure of 1924-25 and the estimated expenditure of the current year.

(Figures in thousands of rupees.)

Items.		Actuals, 1924-25.	Revised, 1925-26.	Budget, 1926-27.
(1) Purchase of Delhi Umballa Kalka Railway . .		...	...	4,00,00
(2) Open lines (including rolling stock) .	Commercial Lines	9,84,98	15,45,37	24,24,29
	Strategic Lines .	21,98	38,00	52,00
(3) Lines under construction—				
(*a*) Started in previous years .	Commercial Lines	2,30,92	3,03,08	6,60,90
	Strategic Lines .	42,21	16,00	...
(*b*) Started in current year		65,89	47,55	3,2 ,04
	Total .	13,45,98	19,50,00	38,58,23
Deduct—Probable savings		...	...	12,58,23
Net total		13,45,98	19,50,00	26,00,00

12. The details of the Budget grant for 1926-27 are shown below :—

(Figures in thousands of rupees.)

Railways.	Open Lines.			Construction of	
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.
State Railways worked by the State—					
1. Central Indian Coalfields	...	...	...	89,50	...
2. Eastern Bengal	56,99	85,18	1,42,17	...	...
Krishnagar Navadwip	...	...	...	37	...
Magrahat Lakshmiikantapur	...	...	...	...	6,00
Faridpur Charmaguria	...	...	...	..	10,00
Natore Rampur Boalia Nachoul	...	...	...	...	20,00
Dinajpur Ruhea	...	...	...	...	17,00
3. Jodhpur (British Section)	...	6,05	6,05	...	...
4. North Western (Commercial)	2,13,77	1,70,25	3,84,02	...	...
Kangra Valley	...	...	...	...	38,00
Shahdara Narowal	...	...	...	...	10,00
Amritsar Narowal	...	...	...	...	20,00
5. Strategic Lines (North Western Railway)	19,50	32,65	52,15	...	...
Hindubagh Fort Sandeman	...	...	...	...	6,00
Strategic Lines (Aden)	...	—15	—15	...	...
6. East Indian	1,56,60	2,77,90	4,34,50	...	...
Chandrapura Gomoh	...	...	...	1,59	...
Calcutta Chord	...	...	...	32,85	...
Rishikesh Road Rishikesh	...	...	...	2,50	...
Kedla Colliery Branch	...	...	...	...	3,00
Rajghat Jehangirabad Bulandshahr Branch	...	...	...	...	7,00
7. Great Indian Peninsula	83,73	3,22,78	4,06,51	...	...
Agra Bah	...	...	...	12,08	...
Purchase and electrification of Kurla Trombay line	...	...	...	...	11,26
Total	5,30,59	8,94,66	14,25,25	1,38,89	1,48,26

(Figures in thousands of rupees.)

Railways.	Open Lines.			Construction of	
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.
State Railways worked by Companies—					
8. Assam Bengal	12,20	14,61	26,81	...	...
Karimganj Longai	...	...	...	5,00	...
Sibsagar Road Khawang	...	...	...	7,26	...
Furkating Badulipara Jorhat	...	...	...	10,00	...
Sararchar Kishoreganj Atharbari Branch Extension.	...	...	...	...	35,00
9. Bengal Nagpur	35,05	1,27,88	1,62,93	...	...
Barkakhana Chandil	...	...	...	49,56	...
Raipur Parvatipur	...	...	...	1,25,00	...
Tumsur Road Tirodi	...	...	...	10,09	...
Ghordeva Coalfields	...	...	...	...	15,44
Talchir Coalfields	...	...	...	15,37	...
Argada Branch	...	...	...	1,14	...
10. Bengal and North Western (Tirhut)	8,06	3,65	11,71	...	...
11. Bezwada Extension	...	40	40	...	...
12. Bombay, Baroda and Central India	1,03,13	2,43,17	3,46,30	...	...
Jambusar Kavi	...	...	...	5,00	...
Vasad Katana	...	...	...	...	10,00
Nadiad Kaira	...	...	...	...	4,00
Sami Dehej	...	...	...	...	5,00
Malad Karodi quarry siding	...	...	...	...	1,00
13. Burma	41,70	31,44	73,14	...	...
Moulmein-Ye	...	...	...	1,53	...
Pyinmana Taungdwingyi	...	...	...	1,55	...
Alon Segyi Ye-U	...	...	...	1,50	...
Pegu Kayan	...	...	...	4,00	...
Bauktaw Mingaladon	...	...	...	97	...
Heho Tayaw	...	...	...	8,00	...
Mandalay Madaya	...	...	...	4,50	...
Carried over	2,00,14	4,21,15	6,21,29	2,50,47	70,44

(Figures in thousands of rupees.)

Railways.	Open Lines.			Construction of	
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.
State Railways worked by Companies—*contd.*					
Brought forward	2,00,14	4,21,15	6,21,29	2,50,47	70,44
Taungdwingyi-Kyaukpadaung	...	...	...	25,00	...
Taungdwingyi-Magwe	...	...	...	...	20,00
Myingyan-Natogyi Paleik	...	...	...	...	25,00
Kayan Thongwa	...	...	...	...	5,00
Nyaunglebin Madauk	...	...	...	...	6,00
14. Madras and Southern Mahratta	35,73	1,66,82	2,02,55	...	...
Nidadavolu Narasapur	...	...	...	25,00	...
Cocanada Kotepelli	...	...	...	...	5,00
Gudivada Bhimavaram	...	...	...	15,00	...
Hotgi Sholapur	...	...	...	6,00	...
Kannivihalli Kamatheruvu	...	...	...	9,00	...
15. Rohilkund and Kumaon (Lucknow-Bareilly Section).	...	—29	—29	...	...
16. South Indian	43,13	1,84,36	2,27,49	...	...
Shoranur Nilamber	...	...	...	21,89	...
Virudunagar Tenkasi	...	...	...	19,50	...
Mayavaram Tranquebar	...	...	...	9,60	...
Villupuram Trichinopoly	...	...	...	90,00	...
Dindigul Pollachi	...	...	...	45,09	...
Madura Bodinayakanur	...	...	...	5,46	...
Trichinopoly Karaikudi	...	...	...	...	15,07
Vriddhachalam Cuddalore	...	...	...	...	26,27
Total State Railways worked by Companies.	2,79,00	7,72,04	10,51,04	5,22,01	1,72,78
Total State and Company worked Railways.	8,09,59	16,66,70	24,76,29	6,60,90	3,21,04
				34,58,23	
Add—Purchase of Delhi Umballa Kalka Railway.				4,00,00	
Deduct—Probable savings				12,58,23	
Net				26,00,00	

13. The distribution of the 24·76 crores over the open line Capital Programme is as follows :—

1. Open line facilities	Rs. 17·87	Crores.
2. Rolling Stock	„ 8·10	„
3. Reduction in stores balances and fluctuations in suspense	„ —1·21	„
	„ 24·76	„

14. *Open line facilities.*—The following gives the distribution of the proposed gross allotment of 17·87 crores among the various classes of open line works :—

(*a*) Doubling and quadrupling	Rs. 1·40	Crores.
(*b*) Improved rails and sleepers	„ 2·25	„
(*c*) Strengthening of bridges	„ 1·00	„
(*d*) Remodelling of station yards	„ 3·40	„
(*e*) Staff quarters	„ 1·00	„
(*f*) Workshops and stores and station buildings	„ 2·37	„
(*g*) Plant and Machinery	„ ·40	„
(*h*) Electrification of lines	„ 2·00	„
(*i*) Sidings, diversions, links, etc.	„ ·74	„
(*j*) Other miscellaneous works	„ 3·31	„
TOTAL	„ 17·87	„

15. (*a*) *Doubling and Quadrupling.*—Some of the more important works for which provision is included in the budget are on the Bengal Nagpur Railway, where, in order to improve the capacity of the line for carrying coal, limestone and other traffic it is proposed to double certain sections of the line. In view of the financial position of this railway a special enquiry is being made on behalf of the Railway Board and a final decision with regard to these works will not be taken until the report is received. A sum of 30 lakhs is provided for work on the Moghulserai Gaya Section of the Grand Chord doubling of the East Indian Railway which will improve the capacity of the main route for carrying coal to the north of India, 44 lakhs for quadrupling the Bandra Borivli and Bandra Grant Road sections of the Bombay, Baroda and Central India Railway required for the improvement of suburban services, and 6 lakhs for doubling the Ishurdi Gopalpur section of the Eastern Bengal Railway where increased traffic makes early improvement necessary.

(*b*) *Improved rails and sleepers, and* (*c*) *Strengthening of bridges.*—The various allotments under these heads are required for improving the existing track and bridges which are on sections where the standard is below that required for modern loads in accordance with the co-ordinated schemes of track improvement on the various railways. The more important schemes on which expenditure is anticipated next year are on the East Indian, North Western and Bombay, Baroda and Central India Railways.

Particular mention may be made of the relaying of the Nagda-Muttra Godhra-Rutlam-Nagda, Virar-Baroda, Delhi-Bandikui-Sabarmati and Rewari-Bhatinda sections of the Bombay, Baroda and Central India Railway on which

it is proposed to spend 10½ lakhs during the next year ; also of the regirdering of Allahabad Jumna and Upper Sone Bridges on the East Indian Railway for which 8 and 5 lakhs, respectively, have been provided.

(*d*) *Remodelling of station yards.*—The more important projects for which allotments are made are :—

	Lakhs. Rs.
Lucknow (East Indian Railway)	10
Cawnpore (East Indian Railway)	9
Moghulserai (East Indian Railway)	5
Belur (East Indian Railway)	5
Moradabad (East Indian Railway)	3½
Sealdah (Eastern Bengal Railway)	5
Parbatipur (Eastern Bengal Railway)	3
Victoria Terminus (Great Indian Peninsula Railway)	23½
Bhore Ghat (Great Indian Peninsula Railway)	10
Rawalpindi (North Western Railway)	4
Lahore (North Western Railway)	3
Tatanagar (Bengal Nagpur Railway)	3
Ahmedabad (Bombay, Baroda and Central India Railway)	16½
Churchgate (Bombay, Baroda and Central India Railway)	4
Jalarpet (Madras and Southern Mahratta Railway)	8
Guntakal (Madras and Southern Mahratta Railway)	5
Miraj (Madras and Southern Mahratta Railway)	4
Tondaiyarpettai (Madras and Southern Mahratta Railway)	4
Trichinopoly (South Indian Railway)	21½
Erode (South Indian Railway)	7

One of the most important of these schemes is that for the remodelling of the Victoria Terminus at a cost of approximately 88 lakhs. The expenditure has been rendered necessary owing to the inadequacy of the existing facilities at the terminus for the rapidly expanding traffic and to provide the terminal facilities required by the electrification of the suburban services.

Another important project is that for the elimination of the Reversing Station at Bhore Ghat, on the Bombay-Poona Section of the Great Indian Peninsula Railway, estimated to cost 66·81 lakhs. The sidings at the present station are too short to accommodate main line loads and every goods train has to be split up and reformed with 500 ton loads for movement over the Ghat Section ; the lay out of the yard also is defective in that up and down trains have only one receiving and departure line with a run round loop for brakes and engines, and up and down lines cross one another resulting in a single line section which acts as a bottle neck in the middle of the double line Ghat Section. The need for the early elimination of the Reversing Station and for an improved realignment has, therefore, made itself felt for some years past, and it has now become imperative owing to the steady increase in traffic which will be further accelerated by the electrification of the section contemplated in the near future.

These schemes have already been approved of by the Standing Finance Committee for Railways, and full particulars are given in the proceedings of their meeting held on the 4th September 1925.

c) Staff Quarters.—The appended table summarises the amounts provided on individual railways for the provision of Staff Quarters. The expenditure proposed under this head was jealously scrutinised by the Standing Finance Committee for Railways, when the Quinquennial Programmes of Railways were discussed with the Committee. The whole question of the policy to be adopted in the provisions of Staff Quarters and the basis on which rents are to be recovered has been under consideration for some time past and definite principles are being framed for adoption in the future. These when finally settled will be discussed in due course with the Standing Finance Committee for Railways. Pending a final decision on the future policy to be adopted the demands under this head have been restricted to the lowest possible limits.

(Figures in thousands of rupees.)

Railways.	Officers' Quarters.		Other Quarters.		Remarks.
	Provision to complete bungalows under construction.	Provision for new bungalows.	Provision to complete quarters under construction.	Provision for new quarters.	
Assam Bengal . .	...	...	63	...	
Bengal Nagpur . .	...	...	12,16	...	
Bombay, Baroda and Central India . .	98	...	1,88	...	20 thousands included in petty works.
Burma . . .	...	...	...	5,50	
Eastern Bengal . .	1,14	...	1,80	6,00	
East Indian . . .	...	5,00	14,30	4,35	
Great Indian Peninsula .	1,79	2,01	8,18	6,01	
Madras and Southern Mahratta . . .	1,80	...	9,00	8,20	
North Western . .	2,50	...	36	...	
South Indian . .	3,48	...	...	2,93	45 thousands included in petty works.
Total .	11,69	7,01	48,31	32,99	

The provision of 5 lakhs for new bungalows on the East Indian Railway is intended for officers' quarters at places where suitable houses are not available and is necessitated by the introduction of the new Divisional Scheme. The provision of 2·01 lakhs for new bungalows on the Great Indian Peninsula Railway is meant for quarters for 3 junior officers and 3 senior subordinates of the New Division at Jubbulpore which has been constituted on the transfer of the Allahabad Jubbulpore Section from the East Indian Railway to the Great Indian Peninsula Railway. The remaining provision for new quarters is for the subordinate staff.

The entire provision both for officers and subordinate staff has been already fully discussed with and approved of by the Standing Finance Committee for Railways.

(f) *Workshops and Stores buildings, and*

(g) *Plant and Machinery.*

The necessity at any rate for some time to come for increased expenditure under this head was explained at length in paragraph 11 (*f*) and (*g*) of last year's explanatory memorandum of the budget. This explanation is for convenience of reference reproduced below :—

> "The necessity for this heavy expenditure has arisen owing to the increase in the amount of rolling stock required to handle the increasing traffic having outgrown the capacity of the existing shops. There has, in consequence, been a substantial increase in the percentage of rolling stock under or awaiting repairs. It is necessary that the workshops should be remodelled in order that this percentage should be reduced and more work obtained from the rolling stock, and also that the shops should be capable of dealing with the additional rolling stock, which will be required for the anticipated increase in traffic in future years. The advances which have been made in recent years in workshop practice and the modern development or improved machinery whereby work is speeded up and costs reduced, have made it possible by incurring suitable expenditure on workshop improvement to reduce the time during which rolling stock is under repair, to reduce the cost of repairs and to enable arrears of repairs to be overtaken. This again implies that more duty can be obtained from existing rolling stock."

At the present moment the whole question of the present capacity of workshops of the State Railways and the possibility of their re-organization and improvement on co-ordinated lines is being investigated by a special expert committee, presided over by Sir Vincent Raven, formerly Chief Mechanical Engineer, North Eastern Railway, England. The appointment of this Committee was agreed to by the Standing Finance Committee for Railways and a fuller explanation will be found in the proceedings of the Committee for the 7th and 8th December 1925.

The programme for the ensuing year includes provision for the following important schemes of workshop new construction and extensions and remodelling :—

(Figures in thousands of rupees.)

Name of Workshop.	Estimated Capital expenditure.	Amount likely to be spent to end of 1925-26.	Provision for 1926-27.	Remarks.
1. Trichinopoly New Workshops South Indian Railway).	2,95,20	2,13,98	54,35	Including Machinery and Plant.
2. Perambur shops- extensions and remodelling (Madras and Southern Mahratta Railway).	2,21,43	32,92	50,13	
3. Extension to Charbagh Locomotive Shops (East Indian Railway)	41,85	14,80	18,70	
4. Dohad New Workshops (Bombay, Baroda and Central India Railway).	1,42,48	44,60	38,00	Including equipment.
5. Extension to Shops—Jhansi (Great Indian Peninsula Railway).	1,40,00	4,00	21,76	
6. Locomotive Shops—Kanchrapara—extensions and remodelling Eastern Bengal Railway).	36,00	13,45	6,00	

The explanatory memorandum of the last year's budget contains a brief description of the first four projects. The other two schemes are described below :—

Kanchrapara Locomotive Shops (Eastern Bengal Railway).—For many years past the Eastern Bengal Railway have been experiencing considerable difficulty in maintaining their broad gauge locomotives owing to the inadequacy of the workshop facilities at Kanchrapara. The necessity for improvement of the Kanchrapara shops was recognised as far back as 1917 when the immediate execution of certain works in connection therewith was sanctioned. Since then the general scheme of remodelling these workshops has been further examined and a revised scheme has lately been drawn up, involving an outlay of Rs. 39,86,374 (chargeable Rs. 36,00,410 to Capital, Rs. 3,74,654 to Depreciation and Rs. 11,310 to Revenue).

Apart from the general advantages to be derived from this scheme in the matter of facilitating traffic working and improving the efficiency of the line, the capital expenditure of 36 lakhs which it entails is also financially justified. Under existing conditions 14·5 per cent. of the locomotives on the Eastern Bengal Railway are on an average under repairs and about 15 per cent. are overdue for repairs. With the remodelling of the shops it will be possible to reduce the number under repairs at any time to 10 per cent. and this will effect a reduction of 13 locomotives, representing a saving in capital expenditure of about 13 lakhs. Further, in the course of a few years it should be possible to overtake all arrears in repairs work and effect a reduction of another

13 locomotives. Thus the total reduction in the capital expenditure on locomotives will amount to about 26 lakhs; and as it is expected that the scheme will effect a direct saving per annum of Rs. 79,562 in labour charges, this saving alone will represent a return of about 8 per cent. on the additional capital outlay of 10 lakhs involved. Further details will be found in the proceedings of the Standing Finance Committee for Railways which approved of the scheme at their meeting on the 18th January 1926.

Jhansi workshops (Great Indian Peninsula Railway).—The Great Indian Peninsula Railway have for some years past been seriously handicapped for lack of adequate facilities for the repair of their rolling stock and locomotives. Although the necessity for additional shop facilities on this railway has long been apparent, a great deal of detailed investigation was found necessary before a decision could be reached as to the extent of the shops to be provided and their most convenient location. As a result of this investigation it has been held that the best means of meeting the requirements of the system would be to provide additional shop facilities at Jhansi rather than extend the main workshops in the vicinity of Bombay; the main considerations for this conclusion being the convenient situation of Jhansi for serving the northern portions of the system, the better climatic and labour conditions prevailing at Jhansi, the unsuitability of the location and lay out of the shops near Bombay for economic expansion, and the desirability of developing Jhansi as a steam locomotive repair centre leaving the Parel shops to concentrate more on electric locomotives as necessity arises in years to come.

A scheme of remodelling and extension of the Jhansi shops, estimated to cost approximately 140 lakhs, has accordingly been prepared and it is intended to provide the proposed additional facilities as early as possible in order to ensure the locomotive and carriage and wagon stock of the Great Indian Peninsula Railway being maintained in an efficient state. It is anticipated that with the provision of these additional facilities the annual outlay on the provision of additional stock will be considerably reduced with a corresponding reduction in depreciation, repairs and renewals. While it is difficult to express in money value the equivalent of these reductions, together with the anticipated increase in earning power of the stock, it is estimated that the results of the remodelling of the shops will represent a return considerably over 8 per cent. of the total estimated expenditure. Under existing conditions 13 per cent. of the total number of broad gauge locomotives on the Great Indian Peninsula Railway are on the average under repairs; with the remodelling of these shops it will be possible to reduce the number under repairs to 9 per cent. and this alone will result in a reduction in capital expenditure on locomotives in the course of a few years of about 56 lakhs.

(*h*) *Electrification of Lines.*—The advantages of the electrification of railway services for the suburban traffic of busy towns and important trade centres are obvious. While providing quick transport at cheap rates which alone can solve the transportation problem of the suburban areas, electrification affords relief to overcrowding in the towns themselves and contributes towards their improvement and development.

For some time past schemes have been under consideration for the electrification of the suburban lines in and around all the three presidency towns of

Bombay, Calcutta and Madras. While the Calcutta and Madras schemes are still under investigation much progress has already been made with the electrification of the Bombay Suburban lines, and the opening of the first electric railway service in India on the Harbour Branch Extension of the Great Indian Peninsula Railway from Victoria Terminus to Kurla, which took place on the 3rd February 1925, marked the inauguration of a new era in the history of rail transport in India.

The electrification of the Harbour Branch Extension forms only part of the various schemes at present in hand for the electrification of the suburban and main line services in Bombay which on the Great Indian Peninsula Railway include the electrification of the main and suburban lines to Kalyan and of the main line to Igatpuri and Poona, and on the Bombay, Baroda and Central India Railway electrification of the lines between Church Gate and Borivli. The estimated capital cost of all these schemes together with the amounts provided therefor in the next year's budget is indicated below :—

(Figures in lakhs of rupees.)

—	Estimated capital cost.	Approximate outlay to end of 1925-26.	Provision for 1926-27.
Great Indian Peninsula Railway—			
(i) Suburban lines from Victoria Terminus to Thana including Harbour Branch and Mahim Chord.	1,80	1,55	25
ii) Thana-Kalyan Suburban line . .	58	...	48
iii) Main line to Igatpuri and Poona . .	5,53	...	19
Bombay, Baroda and Central India Railway—			
Church Gate-Borivli Section . .	1,27	77	54

The work on the uncompleted portion of the schemes is being steadily pushed forward and it is hoped to inaugurate an electrified service on the whole of these sections in the near future. The opening of these electrified services will secure the acceleration of passenger traffic essential to the success of the various development schemes designed for the relief of overcrowding in Bombay. Each rake of the electric trains is designed to provide accommodation for 1,000 passengers or 33⅓ per cent. more than the steam hauled rakes at present in use for the suburban services; and the working cost for the electric services (including power, train staff, maintenance of stock and equipment and train running expenses) is estimated at 29·00 annas per train mile as against 37·79 annas per train mile for steam services. Thus not only will the capacity of the lines be considerably increased as a result of electrification but at the same time a substantial reduction will be effected in the operating expenses.

(*i*) *and* (*j*) *Sidings, diversions and other miscellaneous works.*—The provisions under these heads consist of expenditure on watering arrangements

acquisition and improvement of collieries, electric installations at important stations and overbridges.

The following are among the more important works provided for:—

	Lakhs.
Water supply scheme at Bhusawal (Great Indian Peninsula Railway) .	5
Electrification of Kargali Colliery (Great Indian Peninsula Railway) .	7½
Mahalakshmi Overbridge (Bombay, Baroda and Central India Railway)	11
Salt depôt at Tondaiyarpettai or Ennur (Madras and Southern Mahratta Railway).	6

16. *Amenities for 3rd Class Passengers.*—When the detailed capital programmes of railways were discussed with the Standing Finance Committee for Railways considerable interest was evinced by the members on the subject of the expenditure to be incurred to provide facilities for 3rd class passengers. Various suggestions were made and these have either been acted upon or are under consideration by the Railway Board. The Committee themselves examined the Agents of the Eastern Bengal, the Great Indian Peninsula and North Western Railways on this matter who explained the measures already adopted and the policy in force for securing attention to this important question.

In the budget estimate for 1926-27 a provision of 179·40 lakhs is made which may be described as special for lower class passengers. The following is the detail of the allotment:—

	Lakhs.
1. Arrangements for water supply to passengers . . .	6·25
2. Waiting sheds, waiting rooms and waiting halls . . .	11·19
3. Indian refreshment rooms	4·32
4. Booking facilities	2·74
5. Latrines and sanitary arrangements	1·49
6. Raised platforms	5·01
7. Additions and betterments to lower class carriages . .	148·40
Total .	179·40

It is necessary to explain that the provision of 31 lakhs, exclusive of additions and betterments to lower class carriages, does not represent the full expenditure that will be incurred in securing further facilities for 3rd class passengers as an appreciable share of the outlay on general improvements undertaken when stations are remodelled and train services in general are improved provides increased facilities to the lower class passengers.

17. *Rolling Stock.*—Provision is made in the budget for an expenditure of 2·77 crores for additional stock, 2·35 crores for improvement of existing stock, and 2·37 crores for renewals and replacements of worn-

out passenger stock chargeable to the depreciation fund. The specific allotments as set apart for various items are shown below :—

(Figures in thousands of rupees.)

—	Broad Gauge.			Metre Gauge.		
	Additions.	Betterments.	Total.	Additions.	Betterments.	Total.
1. Locomotive engines and boilers.	8,46	48,37	56,83	23,99	15,07	39,06
2. Coaching vehicles . .	90,80	38,59	1,29,39	23,77	7,59	31,36
3. Goods wagons . . .	90,16	1,06,57	1,96,73	40,26	18,52	58,78
Total .	1,89,42	1,93,53	3,82,95	88,02	41,18	1,29,20

The programme authorised by the Railway Board at the time of the preparation of the Budget for 1926-27 provides for the construction of new units of stock shown in the table below all of which, however, will not necessarily be completed and available for use before the 31st March 1927 :—

—	Broad Gauge.			Metre Gauge.		
	Additions No.	Renewals No.	Total. No.	Additions No.	Renewals No.	Total No.
1. Locomotive engines . . .	7	83	90	25	38	63
2. Coaching vehicles (in terms of four wheelers).						
(a) Upper Class . . .	84	62	146	40	31	71
(b) Lower Class . . .	397	295	692	150	135	285
3. Goods wagons (in terms of four-wheelers).	1,753	2,563	4,316	954	1,089	2,043

This programme provides for the provision of 2 special trains for the Bombay-Howrah Overland Mail. In this connection attention is invited to the Memorandum by the Railway Board at page 16 of Volume II, No. 5, of the Proceedings of the Standing Finance Committee for Railways of December 1925.

Note 1.—The figures in this paragraph exclude provision for, and numbers of, III Class composite coaches to be built with luggage, brakes, postal compartments, etc. The figures for goods stock are those intended to be utilised for the carriage of goods for the general public and exclude all special types of goods stock. In all 1047 units of additional stock and 915 units of stock to be renewed belonging to these special classes at a cost of Rs. 1·52 crores are authorised by the approved programme.

Note 2.—The remainder of the provision for capital expenditure, *viz.* 1·46 crores, is partly for rolling stock for the narrow gauge lines and partly to meet miscellaneous charges for improvements in existing stock, etc., *e.g.* conversion of gas lighting to electric lighting, conversion of saturated engines to superheaters, etc.

The number of additional locomotives included in the programme for 1926-27, *viz.* 32,, is the net addition to the total authorised stock of all railways. It may here be mentioned that where it has been found by experience that the improved methods of working have resulted in an excess in the number of locomotives on a particular system over the number actually required, the Railway Board arrange for the transfer of such locomotives to other State-worked railways which require them. The Railway Board, for example, arranged for the transfer from the North Western Railway of 35 heavy goods type locomotives to the East Indian Railway in order to meet a demand by the latter railway during 1926-27. This transaction raises the total number of engines to be transferred from the North Western Railway during the current and ensuing financial years to 102.

The following statement shows for the broad and metre gauge lines the details of the new units of coaching and goods stock in terms of four-wheeler units included in the programme for 1926-27 :—

Railway.	Upper class coaching vehicles.		Lower class coaching vehicles.		Goods wagons.	
	Broad Gauge.	Metre Gauge.	Broad Gauge.	Metre Gauge.	Broad Gauge.	Metre Gauge.
North Western	36	...	282	...	923	...
East Indian	10	...	...	...	600	...
Eastern Bengal	14	...	40	...	...	...
Great Indian Peninsula . . .	14	...	58	...	...	...
Bengal Nagpur	...	...	...	...	...	...
Burma	...	22	...	106	...	180
Bombay, Baroda and Central India .	4	16	...	20	200	424
Madras and Southern Mahratta .	6	...	...	...	...	...
South Indian	...	...	17	...	30	350
Tirhoot	...	2	...	24	...	...
Lucknow Bareilly	...	...	...	...	...	...
Total .	84	40	397	150	1,753	954

The railways referred to in the above statement were asked to join the Railway Board's combined simultaneous call for tenders for wagons and in addition to the State-worked railways such of the Company-worked railways which required the same types of wagons joined in the call. The tenders received from the Indian and foreign firms were examined by the Board on the 10th November last and orders placed in India to the full capacity of the Indian wagon building firms. Orders for the balance have been placed with an English firm which gave the lowest satisfactory tender. The prices offered

to the Indian firms for the various types were the lowest quoted by them. But the Indian railways will be required to pay only the equivalent of foreign lowest satisfactory quotations and the difference between the lowest Indian and lowest foreign satisfactory price will be paid as bounties.

New Lines.

18. A complete statement of all the projects for new lines, whether under construction or to be commenced during the budget year, is given in the demands for grants for new construction and a brief description of the more important projects has also been given in the individual books for each railway. Full details of the projects sanctioned during the course of the current year will be found in the proceedings of the Standing Finance Committee for Railways and particulars of the more important new projects are given in paragraph 20.

19. The total mileage of the new lines detailed in the demand statement amounts to 2,553 miles. The additions to the several main lines are shown below :—

(1) Bengal Nagpur	511
(2) Burma	484
(3) South Indian	467
(4) Assam Bengal	218
(5) North Western	190
(6) Eastern Bengal	173
(7) Madras and Southern Mahratta	139
(8) Bombay, Baroda and Central India	88
(9) East Indian	71
(10) Great Indian Peninsula	61
(11) Central Indian Coalfields	151
	2,553

It is anticipated that 264·13 miles of line will be opened in the current financial year and 239·54 miles in 1926-27.

20. The following are particulars of the more important projects which have recently been sanctioned or which are under investigation :—

Kangra Valley Railway.—Proposals have been under consideration for some years for introducing a system of narrow gauge railways into the Kangra District with the object of opening out the rich Kulu and Kangra Valleys and preliminary surveys were carried out in 1912 and 1914 for this purpose. The prospects, however, did not appear to be sufficiently remunerative and the proposals were, therefore, dropped. The project has recently been revived in connection with the Uhl Hydro Electric Scheme of the Punjab Government as that Government consider a railway or a tramway of some kind to be necessary both for the construction of their scheme and for the upkeep and patrolling of the transmission lines after construction is completed. The line now proposed is a 2′ 6″ gauge railway running from Pathankot to Shanan, a distance of 100·6 miles. While assisting in the materialisation of the Uhl Hydro Electric Scheme the line will at the same time contribute to the general development of the rich and fertile country traversed, and in particular will promote the cultivation and export of fruits and vegetables in Kulu; will improve the accessibility of the hill stations of Dalhousie and Dharamsala; will at the same time encourage

the formation of summer resorts for the residents of Lahore and Amritsar in the Kangra Valley itself; and will provide railway communications to several ancient Hindu shrines in the Kangra District which form important places of pilgrimage for the people in the Punjab.

Detailed investigation of the alignment to be adopted is still in progress, but on the information now available the financial prospects of the scheme in the third year after opening of the branch line are expected to yield a return of 2·8 per cent. An agreement has been arrived at with the local Government guaranteeing the Government of India against loss in working of the line. Further particulars will be found in the Proceedings of the Standing Finance Committee for Railways who approved of the project at their meeting held on the 18th January 1926.

Amritsar Narowal Railway.—This line, connecting Amritsar with the Sialkot Narowal Branch, will open out an extremely fertile country the development of which has been greatly hampered for lack of transport facilities. It will also provide railway communication to the important shrines of Dera Nanak and Kartarpur and thus facilitate pilgrimages to these places.

A detailed survey has recently been carried out of an alignment passing through Ajnala, the results of which have indicated the desirability of adopting a more direct route *viâ* Verka, Fatehgarh and Dera Nanak. The line on this alignment, detailed estimates for which are under preparation, is approximately estimated to cost Rs. 60 lakhs and to yield a return of 5·5 per cent. directly on opening. Further particulars will be found in the Proceedings of the Standing Finance Committee for Railways for the 17th February 1926.

Shahdara Narowal Railway.—The construction of this line has long been pressed for by the Government of the Punjab on the ground that it will serve an area which in relation to its productivity and density of population is possibly less adequately provided with communications than any other in the province.

The project was originally mooted, as an alternative to the Amritsar Narowal connection, in 1915, when a survey was carried out and detailed estimates were prepared for a broad gauge line. At the instance of the local Government, however, it has since been examined both as a 5′ 6″ and a 2′ 6″ gauge line, but the latter has been found to be the less promising of the two alternatives and as such has been rejected. The existing detailed estimate of the cost of constructing the line on the broad gauge, which is now obsolete, is being brought up to date. In the meantime an abstract estimate has been prepared by the North Western Railway Administration which shows that the line will cost Rs. 27·89 lakhs, excluding rolling stock and interest during construction, and yield a return of 4·84 per cent., involving a loss to the State of about Rs. 20,000 per annum. The local Government have agreed to guarantee the Government of India against this loss and arrangements are being made to proceed with the work as early as possible.

Fuller details of the project will be found in the Proceedings of the Standing Finance Committee for Railways for the 17th February 1926.

Calcutta Chord Railway.—This project was mentioned in the last year's explanatory memorandum of the Railway Budget.

An examination of the proposals submitted by the Agent, East Indian Railway, has indicated two alternative methods of securing adequate facilities for railway communication between the Coalfields and the Docks, namely :—

(i) to construct the bridge over the River Hooghly at Bally and to connect the Howrah Burdwan Chord with the Eastern Bengal Railway at an estimated cost of 179·9 lakhs; or

(ii) to improve the Saktigar-Bandel-Naihati route by quadrupling the Saktigar-Bandel section and effecting the necessary improvements at Bandel and Naihati at an estimated cost of 91 lakhs.

The second alternative makes no provision for the strengthening of the Jubilee Bridge which could not be undertaken while this route has to carry all the dock traffic and the question of opening another route will have to be faced sooner or later; and while *primâ facie* the first alternative does not appear so attractive from a strictly financial standpoint, by spending 88 lakhs over the estimated cost (91 lakhs) of improving the Saktigar-Bandel Naihati route, an additional capacity of 14 trains is obtained, which, if run for eight months each year, would give 10 lakhs net earnings—a good return on 88 lakhs. But in any case there are sufficient arguments on broad grounds alone to justify the first alternative. The first argument is that by now adopting the cheaper alternative the East Indian Railway may find themselves in the position of having constructed works which will be to a large extent thrown out of use when, at some future date, the trade of the port of Calcutta *viâ* the East Indian Railway attains a volume far in excess of that capable of being passed over the Jubilee Bridge and in consequence it is found necessary to construct a bridge at Bally. The second argument is the danger of having the whole of the East Indian Railway communications with the Docks and Calcutta dependent on a single line of communication over a weak bridge, now that an opportunity occurs of establishing a second route. The third argument, and one that has a considerable bearing on the future development of Calcutta, is that by constructing the Bally Bridge the East Indian Railway can increase at once the convenience of the suburban passengers and bring the suggested electrification of the East Indian and Eastern Bengal Railway suburban traffic into one scheme. Finally there is the important consideration of speeding up the coal traffic to the docks; and in this connection the Coal Committee, which was recently appointed to report on the question of improving the export coal trade, have strongly recommended the construction of the proposed Bally Bridge with the least possible delay, as it would enable the coal traffic on its way to the docks to avoid the difficult section between Bandel and Naihati including the Jubilee Bridge which with its interlaced tracks is a fruitful source of delay.

These arguments have been held definitely to turn the scales in favour of the Bally Bridge scheme; and as the Calcutta Port Commissioners are already making arrangements to improve the capacity of the Docks against their anticipations of future traffic, and as the bridge must inevitably take several years to construct and, therefore, there is a very real risk that if its commencement is deferred until a more decided expansion actually takes place in the traffic of Calcutta, such traffic may become too large for the existing facilities of the East Indian Railway before the bridge is completed, it

has been decided to proceed at once with this scheme covering the following works estimated as a whole to cost 179·90 lakhs :—

(i) a double track chord railway 8·30 miles in length connecting Dankuni station on the Burdwan Howrah Chord with the Eastern Bengal Railway in the vicinity of Dum Dum, and including a double track bridge over the River Hooghly at Bally (without any facilities for foot passengers or road transport) consisting of 7 spans of 350 feet, 2 spans of 120 feet, and 2 spans of 20 feet. The immediate approaches to the bridge will be carried on arched viaducts.

(ii) a single track connection 1·84 miles in length from the new chord to the up line of the East Indian Railway main line, and

(iii) a single track connection 1·63 miles in length from the new chord to the down lines of the East Indian Railway main line.

The construction of the project has recently been sanctioned by the Secretary of State and the work is now being put in hand. The project has been approved by the Standing Finance Committee for Railways, and fuller particulars will be found in the Proceedings of that Committee for the 4th December 1925.

Rajghat Jahangirabad Bulandshahr Branch.—This line will pass through a rich and fertile country irrigated throughout by the Ganges Canal but at present much hampered for want of communications. It will serve two important towns, *viz.*, Anuphshahr, a centre for pilgrim traffic on the banks of the Ganges, and Jahangirabad, a centre for the collection of the produce of the richly irrigated countryside. The traffic prospects of the line with certain alternative alignments are at present under investigation.

Dhamuah (Magrahat) Lakshmikantapur Railway.—This is a branch line taking off from the Calcutta Diamond Harbour Section of the Eastern Bengal Railway to serve the portion of the Gangetic delta on the left bank of the mouth of the Hooghly river. It will tap a thickly populated and very fertile rice-growing area, and by providing cheap and rapid transport to Calcutta and Diamond Harbour will help considerably towards a full development of the tract. The existing means of transport by boats, carts and pack bullock are tedious and costly, and it is anticipated that the proposed railway will capture most of the traffic in this area; and as the country is thickly populated and its main trade relations are with Calcutta a heavy passenger traffic is expected immediately on opening.

The financial prospects of the line are estimated as follows :—

	Rs.
Capital cost (including interest on capital during construction)	29·80 lakhs.
Gross earnings	4·50 „
Working expenses	2·46 „
Net earnings	2·04 „
Return	7 per cent.

The project has been approved of by the Standing Finance Committee for Railways, and fuller particulars will be found in the Proceedings of that Committee for the 18th January 1926.

Faridpur Charmaguria (Madaripur) Railway.—This line will serve an area at present without communications. If a permanent ghat can be found at Charmaguria this line could in time be made the main route to Eastern

Bengal, avoiding the very heavy recurring expense of Goalundo ghat which is constantly being shifted. The line was originally surveyed in 1914 when engineering and traffic estimates were prepared. The project is now being investigated afresh having regard to altered conditions.

Natore Rampur Boalia Nachoul Railway.—This is a chord line on the metre gauge connecting Nachoul on the Katihar Godagiri metre gauge branch with Natore on the broad gauge main line of the Eastern Bengal Railway to Siliguri. The construction of this line will facilitate the movement of traffic in the northern portion of the Eastern Bengal Railway system and will relieve the Katihar Parbatipur section which is at present congested and likely to be further taxed on the opening of the Dinajpur Ruhea Branch, thus postponing the need for doubling this section. It will also considerably reduce the mileage of *viâ* Katihar Calcutta traffic and thus cheapen rates and fares for this traffic.

The line will serve the important town of Rampur Boalia (now called Rajshahi), and will open out a thickly populated country with an average population of 400 to the square mile, most of whom are engaged in agriculture. The main crop is paddy which occupies 70 per cent. of the cultivated area, jute representing 10 per cent. Jute, rice, paddy, pulses, hides and raw sugar are among the expected exports, the more important imports being sugar, cloth, salt, potatoes and tobacco.

The financial results of the project are estimated as follows :—

	Rs.
Capital cost (including interest on capital during construction)	44,00,000
Gross earnings	4,39,000
Working expenses	2,55,340
Net earnings	1,83,660
Net income (including net gain to main line)	2,83,660
Return on capital cost	6·4 per cent.

The project has been approved of by the Standing Finance Committee for Railways, and fuller particulars will be found in the Proceedings of the Committee for the 18th January 1926.

Dinajpur Ruhea Railway.—This is a light metre gauge line from Dinajpur, a station on the Katihar Parbatipur section of the Eastern Bengal Railway, running north for a distance of 52 miles through Pirganj, and Nischintipur to Ruhea. The roads in this tract are mostly unmetalled and, owing to the absence of bridges, subject to frequent traffic interruptions during the rains, and the rivers which were once an important means of communication in this neighbourhood, are owing to silting up not much used at present except by small fishing boats. The country traversed has a population of about 450 to the square mile, 90 per cent. of whom are engaged in agriculture. The soil is well suited to the cultivation of jute which is cultivated extensively in the north and west ; the southern areas being under rice and to a lesser extent sugar-cane, rape, mustard, tobacco and market vegetables. There is considerable room for the expansion of cultivation, and it is anticipated that a very much larger area will be put under jute on the provision of better transport facilities; in fact, experience in North Bengal shows that under similar circumstances rice is replaced to a great extent by jute, the more paying crop. It is expected that the exports will consist mainly of jute, rice, paddy, molasses, hides, skins and potatoes, in exchange for which will be imported kerosine oil, piece-goods, metal utensils, and sugar.

The financial prospects of the line are estimated as follows :—

	Rs.
Capital cost (including interest during construction)	36,50,000
Gross earnings	5,90,000
Working Expenses	3,80,000
Net earnings	2,10,000
Return on capital	5·75 per cent.

The traffic estimate has been based on existing conditions and it is considered that with the development of the country a return of at least 6½ per cent. may be reasonably anticipated five years after the line is opened to traffic. A fuller account of this project, which has been approved of by the Standing Finance Committee for Railways, will be found in the Proceedings of that Committee for the 18th January 1926.

Agra Bah Railway.—This is a light broad gauge line required to open out an irrigated tract of the Agra district situated at the head of the Jamna-Chambal Doab which is at present devoid of railway communications. The average density of population in this area is about 360 per square mile, and the trade relations of the people are almost entirely with Agra. There is considerable surplus produce and the provision of rail communication will undoubtedly help to develop the trade of the area. The financial prospects of the line are estimated as follows :—

	Rs.
Capital cost (including interest during construction)	31,92,967
Gross earnings	3,65,219
Working expenses	1,63,873
Net earnings	2,01,346
Return	6·3 per cent.

The Secretary of State has recently sanctioned the construction of the line as an integral part of the Great Indian Peninsula Railway and the Standing Finance Committee for Railways has approved of the proposal to construct the line, a complete account of which is given in the Proceedings of the Committee of the 7th December 1925.

Ghordewa Coalfields Railway.—Prospecting operations carried out in the Lafa Coalfields near Ghordewa village in the Chattisgarh Division indicate the existence of a valuable coalfield. The coal is reported to be of first class quality for locomotive purposes and the mining conditions are favourable. A survey for a broad gauge railway connection with this area from the vicinity of Bilaspur on the Bengal Nagpur Railway to Ghordewa, a length of about 35 miles, has been recently carried out and the estimates are under preparation.

Vasad Borsad Katana Railway.—This is a line which has lately formed the subject of many petitions from the public and of many questions in the Legislative Assembly. Its construction has long been advocated by the Government of Bombay on economic, administrative and political grounds ; the trade and development of the Borsad taluka, already a rich agricultural tract, will be greatly stimulated by direct access to the Bombay, Baroda and Central India Railway at Vasad ; the collection of land revenue and the administration of relief in times of stress, more especially the distribution of fodder for cattle, will be immensely facilitated ; and finally, the control and detection of crime in the southern part of the Borsad taluka, will be considerably improved by railway communication from Vasad to Borsad and

Katana. The line was surveyed in 1916 but its construction has been delayed owing to negotiations with the Baroda Durbar in whose territory a portion of the line would lie. An up to date project estimate has now been prepared by the Bombay, Baroda and Central India Railway Administration which indicates the financial results as follows :—

Capital cost (including interest during construction)	.	Rs.	21·34 lakhs.
Gross earnings (including additional earnings of main line from interchanged traffic)	.	„	4·78 „
Working expenses	.	„	3·11 „
Net earnings	.	„	1·67 „
Return on capital cost	.		8 per cent.

It is hoped that sanction will be given to the construction of this line as soon as arrangements are made with the Baroda Durbar for the acquisition of the land required in their territory.

A more detailed account of the scheme will be found in the Proceedings of the Standing Finance Committee for Railways of the 19th January 1926.

Nidadavolu Narasapur Railway and Gudivada Bhimavaram Railway.—The object of these branches is to provide railway communication in the rich Kistna and Godavari deltas and to facilitate the export of the large surplus grain produce of the district. The country traversed is generally flat, is irrigated throughout and is noted for its extensive cultivation of paddy. Other products available for export are grains of all kinds, gingelly, castor, tobacco, chillies and onions. The area is thickly populated but owing to the number of canals existing communications are inconvenient. The proposed railways will, it is expected, also attract considerable passenger traffic as soon as they are opened. The two lines being more or less interdependent it has been thought advisable, in the interests of the district to be served, to undertake their construction simultaneously, and for the same reasons it is considered to be convenient, in estimating the financial results, to treat them as comprising one project. The combined project on the information available is expected to yield a return of about 6·61 per cent. on the capital outlay.

The Standing Finance Committee for Railways have approved of these two schemes, *vide* their Proceedings of the 12th November 1925 which contain more complete details.

Cocanada Kotepelli Railway.—This broad gauge line will run through the Godavari Delta lands and will open up a populous tract rich in its produce of rice and cocoanut. The line was originally surveyed in 1916 when estimates of its cost and traffic earnings were prepared. The project is now being re-investigated in the light of present-day conditions.

Mayavaram Tranquebar Railway.—This line will serve the old seaport of Tranquebar and will open out a well-populated and cultivated tract. The line was originally sanctioned in 1915 for construction from money supplied by the District Board of Tanjore on terms to be arranged with the South Indian Railway Company. The District Board spent some four lakhs of rupees but the scheme was dropped owing to the war. In view of the altered circumstances, and the new policy of Government as regards construction and working of branch lines, it is now considered desirable to undertake the project from programme funds as an integral part of the South Indian

Railway undertaking. On the information at present available the line is expected to cost 19¼ lakhs and to yield a return thereon of about 9 per cent.

Madura Bodinayakanur Railway.—This line is of considerable importance from the administrative standpoint; it will open up the tract of country between the South Indian Railway main line and the Travancore Hills.

The country to be served has made remarkable progress during the last few years and is undergoing rapid development. The whole area, moreover, is under cultivation and is especially noted for its produce of cotton and groundnuts. Among other products available for export are pulses, grains of all kinds, paddy, chillies, tobacco, tea, cardamums and coffee. The chief imports are cotton seeds, rice, flour, tea shooks, garden stores, and other sundry goods. It is expected that, while facilitating the trade in these commodities and generally assisting in the development of the country, the proposed railway serving, as it will do, the important trade centres of Usilampatti, Theni and Bodinayakanur, will also attract considerable passenger traffic as soon as it is opened.

The financial prospects of the project are estimated as follows :—

	Rs.	Rs.
Capital cost		44,17,460
Gross earnings of the Branch		4,96,500
Working expenses		2,54,250
Net earnings—		
of the Branch	2,42,250	
of the main line	1,43,530	
		3,85,780
Return		8·73 per cent.

Further details regarding this project will be found in the Proceedings of the Standing Finance Committee for Railways which approved of the project at their meeting on the 12th November 1925.

Trichinopoly Pudukottai Karaikudi Railway.—The importance of the Trichinopoly Pudukottai Karaikudi Railway lies in the fact that it will form a link in the proposed north and south through connection between Villupuram and Tuticorin and will help in relieving the congestion on the main line of the South Indian Railway. It will be a metre gauge line about 60 miles in length. The Railway Board is at present in correspondence with the Agent, South Indian Railway, with regard to details of the estimates of cost and earnings but on the approximate information available it is estimated that the line will cost 74 lakhs, will yield a return of nearly 6 per cent. from its own traffic and will bring to the existing main line additional earnings of about 2½ lakhs.

Vriddhachalam Cuddalore Railway.—This metre gauge line will serve as a feeder to the Villupuram Trichinopoly Chord Railway, now under construction.

Up-to-date detailed estimates have not yet been prepared, but on the basis of the approximate information now available the project is estimated to cost about 40 lakhs and to yield a return thereon of a little over 4½ per cent. The District Board of South Arcot have already expressed their willingness to guarantee the line against loss, if any, arising out of its construction and working. As both the District Board and the local Government are anxious that the construction of the line should be put in hand without delay in order that it may be opened simultaneously with the Villupuram Trichinopoly chord, and as construction of the latter will be facilitated if the project is undertaken forthwith, the Agent has recently been authorised to proceed with the land acquisition on the understanding that the expenditure should be restricted to a sum of 2 lakhs during the current financial year.

Taungdwingyi Magwe Railway.—This is a project required for administrative reasons by the local Government for connecting Magwe on the east bank of the river Irrawaddy with Natmauk—a station on the proposed Taungdwingyi Kyaukpadaung extension. It will also be on the direct line for a connection between Burma and India should it eventually be decided to adopt an alignment for the through route *viâ* Akyab and Southern Arakan. *Primâ facie* considerations seem to indicate that it will divert some of the traffic from the Pyinmana Kyaukpadaung line to the river, that it will traverse a less productive area than the Kyaukpadaung extension and consequently that a guarantee against loss in working will be required from the local Government. A project estimate was prepared in 1918 and this is now being recast, and in this connection a re-alignment of the line in the vicinity of Magwe to meet the requirements of Maloon south of Magwe is also being investigated.

Myinggyan Natoggi Paleik Railway.—The object of this line is to open up the land locked area between the main line of the Burma Railways and the Irrawaddy river which is considered to be eminently suitable for growing cotton and dry crops. Both the engineering and traffic estimates have been completed by the Burma Railways Administration, and these indicate that the line is likely to yield a return of about 6 per cent. The estimates, however, have not yet been submitted to the Railway Board, the Agent having undertaken an investigation of the possibility of reducing the capital cost by means of a slight re-alignment of the line.

Kayan Thongwa Railway.—This extension of the Pegu Kayan Railway, 10·54 miles in length is required to serve Thongwa, a big paddy producing town at present badly in need of railway communications. The country between Kayan and Thongwa is as promising from the view-point of traffic prospects as that traversed by the Pegu Kayan Railway and it is anticipated that the proposed extension will yield a return of 10¾ per cent. on its estimated capital cost of a little over 11 lakhs.

A fuller account of the project will be found in the Proceedings of the Standing Finance Committee for Railways for the 17th February 1926.

Naunglebin Madauk Railway.—This is a small branch, 11 miles in length, which will take off from the main line at mile 90. The local Government have been pressing for its construction for the last 20 years in order to open up the rich Schwegyin district. From the estimates which have been prepared the project does not appear to be a very paying proposition. The tract, however, is undergoing rapid development and is noted for its rubber

cultivation, and there is a pagoda in the district which is likely to attract many pilgrims if proper communications are provided. For these reasons the Agent has undertaken a re-investigation of the traffic prospects of the line, and the results of this investigation are awaited.

Revenue Receipts and Charges—Commercial Lines.

21. The following table states the estimated results of the working of commercial lines in the current and the next financial years.

(Figures in thousands of rupees.)

—	1925-26 (Budget).	1925-26 (Revised).	1926-27 (Budget).
Gross traffic receipts	1,00,65,00	98,86,25	1,01,35,57
Interest on balances of Depreciation and Reserve funds.	32,35	54,06	81,54
Government share of profits, etc., from Subsidised Companies.	30,77	34,69	34,34
Miscellaneous receipts	6,44	6,41	6,44
TOTAL RECEIPTS .	1,01,34,56	99,81,41	1,02,57,89
Working expenses	65,05,37*	63,87,41	65,18,94
Surplus profits paid to Indian States and Railway Companies.	1,33,50	1,75,90	1,51,00
Interest charges	23,81,82	23,37,74	24,67,64
Miscellaneous charges	33,52†	35,50	75,69
TOTAL CHARGES .	90,54,21	89,36,55	92,13,27
Gain from commercial lines . .	10,80,35	10,44,86	10,44,62

* *Excludes 74 lakhs on account of provision made in the Budget estimate for probable supplementary grant under administration (39 lakhs) and operation (35 lakhs).*

† *Excludes 40 thousands on account of provision made in the Budget estimate for probable supplementary grant.*

These figures show that while the revised estimate for receipts for the current year is 153 lakhs less than the budget figure, the total charges are at the same time 118 lakhs less and that the net result is expected to be 35 lakhs worse than the budget estimate. In the budget year an increase of 276 lakhs is anticipated in the receipts, while expenditure is expected to go up by 276 lakhs and the gain is expected to be the same as in the current year. Explanations are given under each head below for the variations in the figures.

REVISED ESTIMATE, 1925-26.

Commercial lines.

22. *Gross earnings.*—The budget estimate for 1925-26 was placed at Rs. 100 crores 65 lakhs. This estimate provided for a normal increase of about 3 crores on the anticipated revised estimate of 1924-25. But the actuals of 1924-25 exceeded all expectations and were in excess of the revised estimate by over 179 lakhs; this was due to unprecedentedly high earnings in February and March 1925 consequent on the brisk movement of cotton and coal.

23. The revised estimate for the current year is placed at 98,86 lakhs and compares as follows with the budget estimate :—

(Figures in thousands of rupees.)

—	Budget Estimate, 1925-26.	Revised Estimate, 1925-26.
Passenger earnings	36,50,00	36,87,80
Other coaching traffic	5,81,00	5,86,95
TOTAL	42,31,00	42,74,75
Goods earnings	63,00,00	60,55,22
Other earnings	2,73,00	2,44,53
TOTAL	1,08,04,00	1,05,74,50
Deduct—Worked lines' share	*7,39,00*	*6,91,86*
Suspense transactions	...	3,61
NET TOTAL	1,00,65,00	98,86,25

24. The earnings anticipated from passenger traffic are expected to be about 37¾ lakhs more than budget. Increases occur on the North Western, Eastern Bengal, Madras and Southern Mahratta and Great Indian Peninsula Railways.

25. Goods earnings show a falling off of about 245 lakhs. On the North Western Railway system a falling off of about 170 lakhs has already occurred owing to the smaller movement of wheat and grain traffic. The goods earnings on this Railway in 1924-25 showed an unprecedented increase of 2 crores over the figures of the previous year. But the decrease in wheat traffic has been partly counterbalanced by increased traffic in timber, pressed cotton and in railway stores.

The goods traffic on the Bombay, Baroda and Central India Railway was in the earlier months of the year considerably affected by the partial failure of crops in certain areas resulting in famine conditions in Rajputana and Gujarat.

There has also been a depression in coal traffic on the East Indian Railway but there are at present signs of a revival.

Jute traffic also has not contributed the amount of earnings anticipated when the budget estimate was framed. This was due to a falling off in the output.

The dislocation of the cotton industry affected the earnings of the Great Indian Peninsula Railway considerably, and although increases are anticipated in other classes of traffic the earnings of this line are expected to be less than the budget estimate by about 89 lakhs.

BUDGET ESTIMATE, 1926-27.

26. The budget estimate for 1926-27 is placed at 101 crores 35 lakhs, or an increase of about 249½ lakhs over the revised estimate for the current year.

The estimate is framed on the assumption of good trade conditions and favourable monsoons. It also includes the earnings of the Delhi Umbala Kalka Railway. The table below compares the figures under the detailed heads :—

(Figures in thousands of rupees.)

—	Actuals, 1924-25.	Revised, 1925-26.	Budget, 1926-27.
Passenger earnings	35,37,78	36,87,80	36,79,30
Other coaching traffic	5,78,07	5,86,95	5,93,17
TOTAL .	41,15,85	42,74,75	42,72,47
Goods earnings	62,80,73	60,55,22	62,56,14
Other earnings	2,53,82	2,44,53	2,57,39
TOTAL .	1,06,50,40	1,05,74,50	1,07,86,00
Deduct—Worked lines	7,33,86	6,91,86	6,47,29
Suspense	28,15	3,61	—3,14
NET TOTAL .	99,44,69	98,86,25	1,01,35,57

The increase in earnings budgeted for is less than would ordinarily be taken. This is due to the fact that the improvement in the financial position of Railways generally is considered to be sufficiently great to allow of a commencement being made in the reduction of freights and fares on the more prosperous lines. While this reduction will, it is anticipated, lead to an increase in traffic it will be sometime before the stimulus given by this reduction will reflect itself in improved gross earnings.

27. Under passenger earnings the falling off of 8½ lakhs is the net result of the reduction in fares and the anticipated additional earnings from the larger passenger mileage expected.

28. Goods traffic is expected to yield about 201 lakhs more than in the current year. This is the net figure after allowing for the immediate loss that will be incurred owing to reductions contemplated in freight charges.

29. *Working Expenses, 1925-26.*—The following table compares figures of the Revised estimate for 1925-26 with the Budget estimate of that year :—

(Figures in thousands of rupees.)

—	Administration.	Repairs and maintenance.	Operation.	Depreciation.	Suspense.	Total.	Deduct worked lines.	Net working expenses.
Commercial Lines—								
Budget, 1925-26 . .	12,40,00	18,75,00	27,04,87	10,38,00	+15,50	68,73,37	3,68,00	65,05,37
Revised, 1925-26 . .	13,03,00	17,50,09	26,74,14	10,24,18	—12,50	67,68,91	3,81,50	63,87,41
Revised more (+) less (—) than the Budget.	+63,00	—94,91	—30,73	—13,82	—28,00	—1,04,46	+13,50	—1,17,96

30. *Working Expenses, 1926-27.*—The following table compares the figures of the Budget estimate, 1926-27, with the Revised estimate for the current year :—

(Figures in thousands of rupees.)

—	Administration.	Repairs and maintenance.	Operation.	Depreciation.	Refunds of Revenue.	Suspense.	Total.	Deduct worked lines.	Net working expenses.
Commercial Lines—									
Revised, 1925-26.	13,09,00	17,[illegible]0,00	26,74,14	10,24,18	...	−12,50	67,68,91	3,81,50	63,37,41
Budget, 1926-27.	13,09,00	18,24,50	26,64,51	10,64,14	30,00	−16,70	68,76,44	3,57,50	65,18,94
Budget more (+) less (−) than the Revised.	+0,00	+44,41	−9,63	+39,96	+30,00	−4,20	+1,07,53	−24,00	+1,81,53

WORKING EXPENSES—ADMINISTRATION.

31. The revised estimate is placed at 63 lakhs more than the budget estimate of the current financial year. A supplementary demand to meet the extra expenditure was placed before the Assembly and the notes on the demand explain the causes for the excess over the budget estimate. The creation of the more important new appointments was referred to the Standing Finance Committee for Railways for approval and the reasons for the creation of these posts are stated in the memoranda that were placed before the Committee. The budget for the next year has been placed at nearly 7 lakhs more than the revised estimate for the current financial year. It is the net figure after allowing for the reduction of 3 lakhs made by the Standing Finance Committee for Railways. The increased expenditure provided for is really about 24 lakhs as the provision for the current financial year includes an arrear payment of 17 lakhs for the extension of the Lee Commission concessions to officers of the East Indian, Great Indian Peninsula and Company-worked Railways with effect from 1st April 1924. The explanatory note attached to Demand No. 4—Working Expenses —Administration explains the reasons for the increased expenditure anticipated during 1926-27.

REPAIRS AND MAINTENANCE.

32. A detailed classification under the main head 'Repairs, Maintenance and Operation' was introduced for the first time last year at very short notice at the time of the preparation of the budget and an arbitrary division of the figures under the sub-heads had to be made. It has since been found possible to obtain a more precise classification of the expenditure under the sub-head 'Machinery, Tools, Plant and Miscellaneous' under the main head 'Repairs and Maintenance'. The result has been that a portion of the anticipated expenditure which was shown under 'Repairs and Maintenance of way and works' in the budget estimate has been classed under the head 'Miscellaneous' in the revised estimate. For this reason it is proposed to

compare the figures of the revised estimate with the provision made in the budget estimate under 'Repairs and Maintenance' as a whole and not with reference to the distribution by sub-heads. The comparison shows that the revised estimate for 1925-26 is 94·91 lakhs less than the budget estimate for the year. This lapse is due to no expenditure being incurred in connection with the scheme for the provision of automatic centre buffer couplers for which a provision of 70 lakhs was made in the budget. The reasons for the postponement of this expenditure are explained in the memorandum placed before the Standing Finance Committee for Railways—*vide* page 11, Volume II, No. 4, of the Proceedings of the Standing Finance Committee for Railways. The remaining lapse of about 25 lakhs is due to an anticipated lapse of the amount in the special provision of 50 lakhs for repairs of rolling stock not expected to be spent in full.

Compared with the actuals of 1924-25 the revised estimate shows an excess of 30 lakhs which is mainly due to the special expenditure incurred in speeding up repairs to workshop machinery and coaching and goods vehicles as also to expenditure incurred on repairs of certain bridges on the Eastern Bengal Railway damaged by floods.

33. *Repairs and maintenance—Budget, 1926-27.*—The Budget estimate provides for additional expenditure of 44 lakhs. The justification for this increased charge is given in the explanatory note on Demand No. 5.

34. *Operation, including suspense and worked lines.—Revised Estimate, 1925-26.*—The expenditure of the year is expected to be lower than the budget by 72 lakhs. The following are the details :—

	(Thousands.)
(i) Lower expenditure on fuel	40,61
(ii) Larger share of expenditure chargeable to worked lines and reduction in suspense transactions . . .	41,50
Total reduction	82,11
(iii) Increase in expenditure on operation expenses other than fuel	9,88
Net .	72,23

The fuel bill is lower partly on account of lower prices paid on certain purchases than provided for in the budget and partly to lower consumption consequent on the falling off in the budget estimate of earnings which has resulted in less train and engine miles run.

The charge to worked lines represents the best estimate that can now be made on the figures of earnings and working expenses of the systems with reference to the contracts under which each line is worked.

Operation expenses other than fuel are more by nearly 10 lakhs partly due to the opening of new lines and to an increase in the miscellaneous charges consequent on the arrangements introduced during the year under which the gross receipts and expenditure of the catering department are shown separately in the earnings and expenditure side of the accounts. The past practice was to enter only the net gain or loss in the accounts. The payments for compensation claims for goods lost or damaged show a saving of 6 lakhs.

35. *Operation including suspense and worked lines—Budget Estimate, 1926-27.*—The figures adopted in the budget estimate vary from the revised estimate as follows :—

	(Thousands.)
Operating expenditure other than fuel	+43,06
Fuel	—52,69
Refunds of Revenue	+30,00
Credit for worked lines	+24,00
Suspense	—4,20
Net .	40,17

36. *Operation other than fuel.*—The increase of about 43 lakhs is due to provision made for annual increments to staff and to more expenditure expected to be incurred generally on account of opening of new lines and increased traffic expected to be worked.

37. *Fuel.*—The broad figures affecting the fuel bill for the current and the ensuing financial years are as follows :—

Revised Estimate—

	(Thousands.)
(i) Cost of fuel to be issued to Revenue	5,33,29
(ii) Freight charges on normal amount of coal that is required for consumption and normal balances . . .	4,20,00
	9,53,29

The revised estimate provides for an increase in freight charges of 28·40 lakhs on account of arrears in the supply of coal under existing contracts which it is expected will be taken delivery of before the 31st March 1926.

For the next year the rates at which contracts have been entered into, or expected to be entered into, are very favourable and their cumulative effect is expected to show an ultimate reduction in the average price of coal obtained for consumption in locomotives (excluding freight charges) of about 20 per cent. This percentage reduction takes into account the rates for coal obtained from the railway collieries. The full benefit in the reduction of the cost of coal will not however be realized until the following year as during the budget year the average price of issues will be considerably higher next year than if this full reduction took place as the quantities obtained of arrear supplies under the contracts at the 1924-25 and 1925-26 rates will have to be worked off. On a review of the position of each line, it is expected that a reduction of about 10 per cent. on the whole may be expected in 1926-27. This would bring the estimates of that year to 480 lakhs (*i.e.*, 533—53 lakhs). To this figure an addition of 16·15 lakhs is made to meet the additional engine mileage provided for in 1926-27 thus raising the estimate to 496·15 lakhs. In this estimate provision is made for the fuel expenditure on new lines and on lengths of lines doubled which in the earlier years of opening cannot be worked at the same economical rate as old established lines.

The estimate of freight charges for 1926-27 is placed at 15·55 lakhs lower than the revised estimate. This is mainly due to smaller quantity of coal to be purchased during the year in view of the larger stock that will be

held at the end of the current year counterbalanced by an increase on account of higher freight rate for locomotive coal.

The budget provides for a new item of expenditure, *viz.*, refunds of revenue. This is in accordance with a decision that such refunds which have hitherto been shown as a reduction of receipts should hereafter be shown as an item of expenditure, and covered by a vote of the Assembly. The question as to what detailed items exactly are to be brought under this head is still under discussion. For this reason as well as the fact that the decision to show this expenditure separately was taken late in the year it is impossible for a reliable estimate to be framed of the charges under this head. The figure of 30 lakhs is therefore only a rough estimate which is liable to correction. It may be pointed out, however, that the entry is merely an adjusting one and that whatever the actual expenditure against this head may be, there will be a corresponding addition to the gross receipts estimate and the figure of net receipts will not be affected. In the Budget Estimate of gross receipts for 1926-27 the corresponding addition is included in the gross figure of 103 crores. The Standing Finance Committee for Railways agreed to the estimate for working expenses being increased by the probable charges on account of refunds of revenue—*vide* paragraph 36 of the Proceedings in Volume II, No. 6.

The credit for worked lines is reduced by 24 lakhs representing the average of the expenditure that has hitherto been recovered from the Delhi Umbala Kalka Railway which will become the property of the State on the 1st April 1926.

38. *Appropriation to the Depreciation Fund.*—The appropriation to the Fund is charged to working expenses. The actuals for 1924-25 amounted to 10·35 crores. The budget estimate for 1925-26 was placed at 10·73 crores but the revised estimate is expected to be somewhat lower owing to the lapse on the budget grant in the capital and replacement expenditure during 1924-25. The revised estimate is accordingly placed at 10·65 crores. For 1926-27 the estimated appropriation is fixed at 11·05 crores and is based on the capital and renewal programme for the current year and the amount of depreciation that ceases in the year.

39. *Surplus profits paid to the Companies and the net earnings of the Indian States' Railways.*—The increase of 42·40 lakhs in the revised estimate is mainly based on the actual payments already made as the amounts payable are dependent, except in few cases, on the actual net earnings of the previous year. The increase is due to these net earnings proving higher than anticipated and was fully explained in the notes on the supplementary demands for 38 lakhs and 4·40 lakhs already voted by the Legislative Assembly on the 15th September 1925 and 8th February 1926. The Budget estimate provides for a reduction on the figures of the current year as no payment will be made during 1926-27 to the Great Indian Peninsula Railway, that railway having been taken over under State management with effect from 1st July 1925, and because the net earnings in the current year of the railways concerned are expected to be lower than in 1924-25.

40. *Railway Board's Establishment.*—The budget estimate for the current year was prepared for 14·92 lakhs. A motion was carried in the Assembly reducing the votable portion of this estimate by ·78 lakhs. This reduced the estimate of expenditure to 14·14 lakhs. Considerable retrenchments

in the establishment were effected during the course of the year and the revised estimate is now placed at 14·04 lakhs which is Rs. 10,000 less than the budget estimate as reduced by the Assembly. The details of the retrenchments made are stated in the memorandum printed at pages 45 to 52 of the Proceedings of the Standing Finance Committee for Railways, Volume II, No. 3, September 1925. The Standing Finance Committee approved of the action taken.

The budget estimate for next year is prepared for 14·68 lakhs or ·64 lakhs in excess of the revised estimate for the current year. The excess is due partly to provision being made for the full year for the appointment of Director of Finance which was created in August of the current year and partly to a larger provision for leave salaries of the superior establishment. The latter provision is based on the approved leave programme with a reasonable allowance for unforeseen leave vacancies.

At the beginning of the current financial year the total number of posts on the superior establishment of the Railway Board was 20; the effective strength has now been reduced to 17.

41. *Subsidized Companies' Land and Subsidy and Miscellaneous Railway Expenditure.*—These consist of the cost of land required by certain railway companies and Indian States entitled under the terms of existing contracts and agreements to free supply of land and miscellaneous items such as the cost of establishments, including the Railway Board. The detailed estimate for the Railway Board is explained in paragraph 40. The share of the cost of the controlling establishments is charged to the working expenses of each of the railway companies and the recoveries thus made are adjusted by deduction from miscellaneous expenditure. The figures relating to this head compare as under:—

(Figures in thousands of rupees.)

Items.	Actuals, 1924-25.	Budget, 1925-26.	Revised, 1925-26.	Budget, 1926-27.
Subsidized Companies'—Land and Subsidy	3,09	5,50	7,30	8,40
Miscellaneous Railway Expenditure including Surveys	13,10	28,02	28,20	67,29
TOTAL .	16,19	33,52	35,50	75,69

42. *Land and Subsidy.*—The Revised Estimate shows an increase of Rs. 1,80,000 over the budget grant. This excess is mainly due to the estimated cost of land required to be provided for Pandharpur Miraj Extension of the Barsi Light Railway which at the time of the preparation of the budget it was anticipated would not be taken up this year. The budget estimate for 1926-27 provides for an expenditure of Rs. 1,10,000 more than the revised estimate. The details working up to the additional grant required are given in the explanatory note to Demand No. 11.

43. *Surveys.*—The revised estimate is Rs. 4,71,000 less than the budget estimate and is due to certain surveys provided for in the budget not being

undertaken during the budget year. For this reason and in order to provide for a fuller programme of surveys for the next year, the budget for 1926-27 has been placed at Rs. 9,50,000.

This latter figure is the net amount after allowing for anticipated credits on account of the transfer from the Revenue Head "12—Surveys" to the Capital Head "53—State Railways Construction" of the expenditure incurred on surveys undertaken in previous years in respect of projects the construction of which is commenced during the budget year and which form an integral part of state railways worked by Companies. In similar circumstances in respect to new lines which will form part of state railways worked by the State the transfer entry in the accounts is not made in the finance accounts of the year but an addition is made to the booked capital at charge to the end of the previous year without an addition to the capital and a reduction in the revenue expenditure of the year. In regard to expenditure on a survey incurred in the same year in which the construction of the project surveyed is started, the expenditure is transferred by a financial adjustment to the charge of the construction in that year and a credit to the revenue head of account both on state railways worked by Companies and state railways worked by the State.

44. *Miscellaneous Establishment, etc.*—The revised estimate is placed at Rs. 2,69,000 more than the budget estimate. The excess is due almost entirely to important special investigations which it was found necessary to carry out during the year. The budget for next year provides for Rs. 11,29,000 for miscellaneous establishment and includes a provision of Rs. 2,00,000 for the employment of special accountants to overhaul the system of accounting on Indian Railways with a view to placing them on a commercial basis. This proposal was made by the Acworth Committee—*vide* paragraph 131 of their report—and has been urged upon the Government by the Standing Finance Committee for Railways. A provision of Rs. 1,80,000 has also been made to meet the cost of the Rates Advisory Committee.

The estimate also provides for a special item of 27 lakhs representing the purchase price of the Arakan Light Railway. The terms of purchase of this Line, which it is proposed to dismantle after purchase, are given in the memorandum printed in Vol. II, No. 7, of the Proceedings of the Standing Finance Committee for Railways.

Credit received from the Company-worked Railways as share of the cost of control is placed at Rs. 12,61,000 in the revised estimate and Rs. 12,04,000 in the budget estimate and represents payments anticipated in accordance with the terms of the contracts with the Railway Companies.

45. *Interest charges.*—Compared with the budget estimate a saving of about 44 lakhs is expected in interest charges of this year. This is mainly due to lower capital expenditure and a slight rise in the rate of exchange together with a slightly lower rate of interest now adopted in calculating the charges. The provision for next year is higher than the probable expenditure of the current year by about 130 lakhs due to the increase in the capital at charge.

46. *Financial results.*—Under the convention passed by the Legislative Assembly regarding the separation of the finances, the general revenues receive from the Railways in the current year a contribution equal to one per cent. on the capital at charge in 1923-24 and one fifth of the surplus profits of that year of commercial lines in addition to one third of the amount

available after meeting this contribution for transfer to railway reserves in excess of 3 crores in the current year. The amount to be paid on account of one per cent. contribution of capital at charge in 1923-24 is Rs. 5,40,38,966 and the one-fifth of surplus profits in that year amounted to Rs. 90,03,230, so that the total contribution works to Rs. 6,30,42,196. Deducting Rs. 1,21,04,113, representing the loss in working on strategic lines during 1923-24, from Rs. 6,30,42,196, and adding Rs. 22,60,000 on account of one-third of the amount above Rs. 3 crores available for transfer to railway reserve, the net figure of contribution to the general revenues in 1925-26 is Rs. 5,31,98,000. The gain from railways (*i.e.*, the net result after meeting all revenue expenditure including interest charges) in the current year, is estimated at Rs. 8,77,19,000 and, after paying from this amount the contribution to general revenues, the estimated amount to be transferred to railway reserves is Rs. 3,45,21,000.

47. The results of working of railways are expected to yield a gain of Rs. 8,70,94,000 in the next year or of Rs. 10,44,62,000 if commercial lines alone are taken into account. The contribution to general revenues on account of contribution at one per cent. of capital at charge and one-fifth of surplus profits of 1924-25 is Rs. 7,59,66,000, or after allowing for loss in working of strategic lines of Rs. 1,58,79,000, Rs. 6,00,87,000 leaving Rs. 2,70,07,000 out of the figure of Rs. 8,70,94,000 as available for transfer to railway reserves. As the amount available for transfer to railway reserves does not exceed 3 crores no further contribution would be due to general revenues in the next year.

The gain from commercial lines is estimated to give a percentage of 1·63 to capital at charge of these lines in 1925-26 and of 1·55 in 1926-27. The amounts expected to be credited to the reserve fund work out to a percentage of 3·49 on the gross earnings in 1925-26 and to a percentage of 2·66 on the gross earnings in 1926-27.

48. *Strategic Lines.*—The table below compares the results of working of the strategic lines in the current and the next years :—

(Figures in thousands of rupees.)

	1925-26. (Budget).	1925-26. (Revised).	1926-27. (Budget).
Gross receipts	1,85,00	1,63,75	1,67,43
Charges—			
Working Expenses	2,17,25	2,04,94	2,11,05
Interest charges	1,21,15	1,26,04	1,29,84
Miscellaneous	...	44	22
Net loss in working	1,53,40	1,67,67	1,73,68

The Budget Estimate of gross receipts for 1926-27 is higher by $3\frac{3}{4}$ lakhs. Of this increase $2\frac{1}{4}$ lakhs is on the strategic lines of the North Western Railway

system and is partly due to the opening of the Khyber Railway. The remainder of the increase, *viz.*, 1½ lakhs, represents the earnings of the Aden Railway which is to be classified as a strategic line with effect from the 1st April 1926. The estimates for 1926-27 provide for an increase of about 6 lakhs in working expenses over the probable expenditure in the current year. This increase in the main is due to the opening of the Khyber Railway, to provision for the working expenses of the Aden Railway and additional expenditure on account of the increased traffic to be worked.

49. *Depreciation Fund.*—The balance in this fund at the close of last year was 3·06 crores. During this year the credits are estimated to amount to 10·65 crores and the withdrawals to 7 crores, leaving a balance of 6·71 crores in the fund at the end of the year. Next year credits are estimated to amount to 11·05 crores and charges to 8·50 crores so that the balance at the end of next year is estimated to be 9·26 crores.

50. *Reserve Fund.*—The balance at the beginning of this year was approximately 6 crores and was arrived at after meeting a debit of 38·29 lakhs on account of writing down the value of stores—*vide* the proceedings of the Standing Finance Committee for Railways, page 77, Volume II, No. 1. If the estimates for capital expenditure, gross traffic receipts and working expenses prove accurate, a sum of 3·45 crores will be carried to the credit of the fund in this year and a sum of 2·70 crores in the next year.

51. *Stores balances.*—When the budget for the current financial year was presented to the Assembly last February it was anticipated that the balance of stores held by railways would be 17,50 lakhs and 16,00 lakhs on the 31st March 1925 and 31st March 1926 respectively. The actuals for 31st March 1925 were 17,08 lakhs and the revised estimate for 31st March 1926 is now placed at 15,35 lakhs. During the year 1926-27 a further reduction of about 129 lakhs is expected thus reducing the balance to 14,06 lakhs. This figure represents a reduction of more than 7¼ crores on the balance held on 31st March 1924 and effects an annual saving in interest charges of approximately 41 lakhs. While further reductions of this magnitude are not anticipated the necessity of keeping down the balance of stores to the very minimum continues to receive the unremitting attention of the Railway Board. A reference in this connection is invited to paras. 44 to 46 of the Report by the Railway Board on Indian Railways for 1924-25.

C. D. M. HINDLEY,
Chief Commissioner for Railways.

DELHI;
The 20th March 1926.

A. M. HAYMAN,
Offg. Financial Commissioner, Railways.

ANNEXURE A.

Purchase terms of the Delhi Umballa Kalka Railway. (*Paragraph 8*).

The Delhi Umballa Kalka Railway was constructed with money provided by the Delhi Umballa Kalka Railway Company, Limited, and was worked on behalf of the Secretary of State by the East Indian Railway up to the 31st March last and has been worked since that date by the North Western Railway. Under the terms of the contract the Government retains 48 per cent. of the gross receipts as cost of working, the remaining 52 per cent. being paid over to the Company, subject to deduction of Indian income-tax. The Government has power to purchase the line on the 31st December 1926 or on the 31st December of any subsequent year, on giving twelve months' notice and paying in cash a sum equivalent to twenty-five times 50 per cent. of the average yearly gross earnings of the railway during the last preceding five years, without deduction for India income-tax or otherwise.

2. Under these terms it would never be to the financial interest of the State to exercise the option of purchase under the contract so long as money had to be borrowed at a rate higher than 4 per cent.; while with increasing traffic the loss to the State from working the line for a remuneration much below present operating costs increases with every increase of traffic.

3. It was calculated that with average annual gross earnings of about 55 lakhs the amount to be paid to the Company annually would be about 28½ lakhs while the purchase price would be 687½ lakhs. As it was clearly not to the advantage of the State to pay 687½ lakhs in order to escape an annual payment of 28½ lakhs, the Company were informed that the Secretary of State would not exercise his option of purchase on the 31st December 1926. Negotiations were then entered into with the Board of Directors of the Company for purchase outside the terms of the contract for a price more nearly approximating the market value of the Company's interests. These negotiations have now been concluded, and, subject to the assent of the stockholders, the line will be purchased by the Secretary of State on the 31st March 1926 for a cash payment of three million pounds or approximately four crores of rupees. This figure may be contrasted with the figure of two crores of capital sunk in the line and with the figure of 687 lakhs payable under the option provided in the contract. The saving to the State from the transaction will be represented by the difference between the interest to be paid on a loan of four crores, which at 5½ per cent. is 22 lakhs, and the annual present payment of 27 or 28 lakhs. The saving will, it is anticipated, increase in time with the development of the line as an integral portion of the North Western Railway without any restrictions with regard to routing or the opening of fresh lines—restrictions which are an inevitable concomitant of divergent financial interests in separate portions of a railway system.

APPENDIX I.

Capital at charge on State Railways at end of 1923-24, capital expenditure during 1924-25 and estimated capital expenditure in 1925-26 and 1926-27.

Railways.	To end of 1923-24.	Accounts, 1924-25.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.	To end of 1926-27.	Remarks.
Open Lines.						
State Railways worked by State—						
Eastern Bengal	43,45,52,901	19,15,049	88,00,000	1,42,17,000	45,94,85,550	
East Indian (including South Bihar)	96,98,09,044	2,12,30,624	3,25,00,000	4,34,50,000	1,39,09,06,860	
Oudh and Rohilkhand	31,85,53,925	52,73,204				
Great Indian Peninsula	93,08,65,765	42,47,706				
Agra Delhi Chord	1,50,88,969	49,711				
Baran Kotah	50,01,616	60,763	2,15,00,000	4,06,51,000	1,03,04,12,739	
Bhopal State	45,76,578	51,221				
Cawnpore Banda	83,06,161	18,159				
Jodhpur Hyderabad	51,54,997	2,61,930	4,10,000	6,05,000	64,31,927	
North Western	82,30,49,695	50,44,647	1,90,00,000	7,84,02,000	92,54,96,542	
Strategic Lines (North-Western)	27,11,06,057	21,98,574	54,00,000	52,15,000	28,39,19,631	
„ „ (Aden)	15,03,715	—5,805	31,000	—15,000	15,13,910	
Stores transactions	2,16,39,276	19,21,724	...	...	2,35,61,000	
Abandoned projects	32,86,316	...	...	...	32,86,316	
Total State Railways worked by State	3,81,25,80,218	4,22,65,257	8,76,41,000	18,25,25,000	4,12,50,14,475	
State Railways worked by Companies—						
Assam Bengal	18,64,07,031	12,90,220	18,36,000	26,81,000	19,23,04,251	
Bengal Nagpur	58,29,33,084	2,31,25,656	1,98,00,000	1,62,08,000	64,21,53,340	
Bengal and North Western (Tirhut)	8,74,73,740	11,43,995	8,70,000	11,71,000	9,06,58,735	
Bezwada Extension	14,73,001	2,26,775	24,000	40,000	17,63,776	
Bombay, Baroda and Central India	63,14,90,846	1,86,54,443	1,91,12,000	3,46,30,000	70,38,87,289	
Burma (Main Line)	22,63,93,804	52,95,893				
Burma Extensions		1,38,662	57,00,000	73,14,000	26,19,32,945	
Southern Shan States	1,70,58,736	31,850				
Madras and Southern Mahratta	49,25,11,867	63,86 935				
Dhone Kurnool	10,18,342	...	1,32,76,000	2,02,55,000	53,34,48,284	
Guntur Tenali	140	...				
Rohilkund and Kumaon (Lucknow Bareilly)	1,60,84,899	—2,47,264	...	—29,000	1,58,08,635	
South Indian	22,96,76,420	40,11,518	1,08,39,000	2,24,52,000	26,69,78,938	
Tinnevelly Quilon (British Section)	44,53,692	1,62,782	6,66,000	2,17,000	54,99,474	
Carried over	2,47,70,66,202	6,02,21,405	7,31,23,000	10,50,24,000	2,71,44,34,667	

APPENDIX I—*contd.*

Railways.	To end of 1923-24.	Accounts, 1924-25.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.	To end of 1926-27.	Remarks.
Brought forward	3,81,25,80,218	4,22,08,357	8,70,41,000	18,25,25,000	4,12,50,14,475	
Open Lines—*contd.*	2,47,70,60,202	6,02,21,465	7,21,28,000	10,50,24,000	2,71,44,34,667	
State Railways worked by Companies—*contd.*						
Tinnevelly Quilon (Indian State Section)	1,35,04,188	1,16,030	1,00,000	70,000	1,38,56,218	
Coonoor Ootacamund	50,30,564	11,615	67,000	10,000	51,28,179	
Total State Railways worked by Companies	2,49,56,69,954	6,03,49,110	7,22,96,000	10,51,04,000	2,73,34,19,064	
Total Open Lines	6,30,82,50,172	10,26,17,307	15,09,37,000	28,76,29,000	6,85,84,33,539	
Lines under construction.						
State Railways worked by State—Central Indian Coal Fields	...	33,58,212	75,00,000	89,50,000	1,98,08,212	
Eastern Bengal—						
Krishnagar Navadwip	...	...	1,00,000	37,000	1,37,000	
Magrahat Lakshmikantapur	...	...	...	6,00,000	6,00,000	
Faridpur Charmaguria	..	...	...	10,00,000	10,00,000	
Natore Rampur Boalia Nachoul	...	...	...	20,00,000	20,00,000	
Dinajpur Ruhea	...	...	...	17,00,000	17,00,000	
East Indian—						
Kedla Colliery	...	...	...	3,00,000	3,00,000	
Bokaro Ramgarh (Bermo-Duneya) Extension	17,53,490	3,17,644	1,00,000	...	21,71,134	
South Karanpura Extension	9,52,046	6,55,026	2,50,000	...	18,57,074	
Chandrapura Gomoh	1,01,344	8,65,722	5,00,000	1,59,000	16,26,066	
Calcutta Chord	...	...	1,00,000	32,85,000	33,85,000	
Rishikesh Road Rishikesh	...	3,84,233	3,50,000	2,50,000	8,84,233	
Rajghat Jahangirabad Bulandshahr Branch	...	...	...	7,00,000	7,00,000	
Great Indian Peninsula—						
Itarsi Nagpur	3,15,35,910	34,43,096	...	...	3,49,79,006	
Bombay Harbour Branch	77,25,402	4,75,374	1,17,000	...	83,17,776	
Majri Rajur	22,23,845	4,13,265	1,41,000	...	27,78,110	
Agra Bah	...	...	92,000	12,08,000	13,00,000	
Kurla Trombay Line—Purchase and electrification of	...	...	...	11,26,000	11,26,000	
North Western—						
Amritsar Narowal	...	...	...	20,00,000	20,00,000	
Kangra Valley	...	...	5,00,000	38,00,000	43,00,000	
Shahdara Narowal	...	...	....	10,00,000	10,00,000	
Strategic Lines—						
Khyber Railway	2,11,51,705	42,20,742	...	...	2,53,72,447	
Hindubagh Fort Sandeman	..	...	..	6,00,000	6,00,000	
Total State Railways worked by State	6,54,43,744	1,40,33,314	97,50,000	2,87,15,000	11,79,42,058	
Carried over	6,54,43,744	1,40,33,314	97,50,000	2,87,15,000	11,79,42,058	

APPENDIX I- *contd.*

Railways.	To end of 1923-24.	Accounts, 1924-25.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.	To end of 1926-27.	Remarks.
Brought forward	6,54,43,744	1,40,33,314	97,50,000	2,87,15,000	11,79,42,058	
Lines under construction— *contd.*						
State Railways worked by Companies—						
Assam Bengal— Sibsagar Road Khawang	...	12,05,414	10,00,000	7,26,000	29,31,414	
Furkating Badulipara Jorhat	...	...	8,08,000	10,00,000	18,08,000	
Sararchar Kishoreganj Atharbari Branch Extension	...	...	...	35,00,000	35,00,000	
Karimganj Longai Valley	...	...	5,000	5,00,000	5,05,000	
Bengal Nagpur— Vizagapatam Harbour	31,08,768	7,85,762	—39,54,000	...	530	
Raipur Parvatipur	12,155	13,760	14,00,000	1,25,00,000	1,39,25,915	
Tumsur Road Tirodi	...	...	8,00,000	10,09,000	18,09,000	
Amda Jamda	1,21,55,303	13,74,830	..	...	1,35,30,133	
Talchir Coal Fields	21,59,597	29,73,554	34,85,000	15,37,000	1,01,05,151	
Barkakhana Chandil	12,56,474	35,86,607	54,00,000	49,56,000	1,51,99,081	
Argada Branch	...	2,01,105	1,46,000	1,14,000	4,61,105	
Suttitangar Branch	...	21,382	1,02,000	...	1,23,382	
Ghordeva Coal Fields	...	...	...	15,44,000	15,44,000	
Barabil Branch	...	29,016	3,00,000	...	3,29,016	
Bokaro Ramgarh (Bermo-Duneya) Extension	21,89,702	3,19,399	2,82,000	...	27,91,101	
South Karanpura Coal Fields	13,22,172	7,24,993	5,39,000	...	25,86,165	
Bombay, Baroda and Central India—						
Dholka Dhanduka	27,67,196	..	...	...	27,67,196	
Jambusar Kavi	...	...	50,000	5,00,000	5,50,000	
Vasad Katana	...	...	...	10,00,000	10,00,000	
Nadiad Kaira	...	...	...	4,00,000	4,00,000	
Sami Dehej	...	...	...	5,00,000	5,00,000	
Malad-Karodi quarry siding	...	...	...	1,00,000	1,00,000	
Burma—						
Banktaw Mingaladon	4,149	3,38,373	3,00,000	97,000	7,39,522	
Pyinmana Taungdwingyi	59,02,872	11,79,737	3,00,000	1,55,000	75,37,609	
Moulmein Ye	79,56,580	19,16,884	4,00,000	1,53,000	1,04,26,464	
Alon Segyi Ye U	25,46,550	3,53,026	3,00,000	1,50,000	33,49,576	
Pegu Kayan	5,06,350	13,16,699	10,00,000	4,00,000	32,23,049	
Heho Tayaw		...	2,00,000	8,00,000	10,00,000	
Carried over	4,19,48,168	1,03,40,841	1,28,13,000	3,16,41,000	10,27,42,709	
	6,54,43,744	1,40,33,314	97,50,000	2,87,15,000	11,79,42,058	

APPENDIX I—*concld.*

Railways.	To end of 1923-24.	Accounts, 1924-25.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.	To end of 1926-27.	REMARKS.
Brought forward	6,54,43,744	1,40,[illegible]3,[illegible]14	97,[illegible]0,000	2,87,15,000	11,79,42,058	
	4,19,48,[illegible]	1,6[illegible],40,541	1,[illegible]8,[illegible]3,000	3,16,4[illegible],000	10,27,42,7[illegible]9	
Lines under construction—*concld.*						
State Railways worked by Companies—*concld.*						
Burma—*contd.*						
Mandalay Madaya	...	3,273	6,00,000	4,50,000	10,53,273	
Taungdwingyi Kyaukpadaung	...	...	[illegible],00,000	25,00,000	33,00,000	
Taungdwingyi Magwe	...	...	...	20,00,000	20,00,000	
Myingyan Natogyi Paleik	..	...	...	25,00,000	25,00,000	
Kayan Thongwa	...	..	1,00,000	5,00,000	6,00,000	
Naunglebin Madauk	...	...	...	6,00,000	6,00,000	
Madras and Southern Mahratta—						
Nidadavolu Narasapur	...	...	1,00,000	25,00,000	26,00,000	
Cocanada Kotapelli	...	...	...	5,00,000	5,00,000	
Gudivada Bhimavaram	...	..	...	15,00,000	15,00,000	
Hotgi Sholapur	...	...	1,00,000	6,00,000	7,00,000	
Kannivihalli Kamatheruvu	...	..	...	9,00,000	9,00,000	
South Indian—						
Villupuram Trichinopoly	3,925	95,224	38,00,000	90,00,000	1,28,99,149	
Virudunagar Tenkasi	...	2,23,314	25,00,000	19,50,000	46,73,314	
Shoranur Nilambur	15,309	12,85,323	35,00,000	21,89,000	69,89,632	
Dindigul Pollachi	..	...	4,00,000	45,09,000	49,09,000	
Trichinopoly Karaikudi	...	...	...	15,07,000	15,07,000	
Mayavaram Tranquebar	...	...	4,00,000	9,60,000	13,60,000	
Madura Bodinayakanur	...	...	1,00,000	5,46,000	6,46,000	
Vriddhachalam Caddalore	...	...	1,00,000	26,27,000	27,27,000	
Total State Railways worked by Companies	4,19,67,402	1,79,47,675	2,53,13,000	6,94,79,000	15,47,07,077	
Total Lines under Construction	10,74,11,146	3,19,80,989	3,50,63,000	9,81,94,000	27,26,49,135	
Total Open Lines and constructions	6,41,56,61,318	13,45,98,356	19,50,00,000	38,58,23,000	7,13,10,82,674	
Deduct—Probable savings	...	...	...	12,58,23,000	12,58,23,000	
Net	6,41,56,61,318	13,45,98,356	19,50,00,000	26,00,00,000	7,00,52,59,674	

APPENDIX II.

Gross receipts, working expenses, and net receipts of State Railways for five years ending 1924-25, with Revised Estimates for 1925-26 and Budget Estimates for 1926-27.

(Omitting 000, except in Accounts.)

State Railways.	Accounts.					Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.		
	M.	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*
Open mileage at beginning of year	26,530	26,709	26,961	27,162	27,225	27,472	27,575
Gross Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
INDIA.							
State Railways worked by the State.							
Eastern Bengal	4,61,08,642	4,42,96,639	5,24,50,582	5,34,77,428	5,99,15,910	6,31,61	6,35,25
North Western Commercial Lines	12,97,73,659	11,34,90,666	12,95,24,443	13,46,96,285	15,39,35,526	14,27,12	14,93,82
Strategic Lines		1,04,24,789	1,55,26,295	1,71,15,140	1,59,83,617	1,63,75	1,66,02
East Indian	13,84,16,068	13,38,87,673	15,55,59,040	16,23,67,080	17,22,36,000	20,15,40	20,53,35
Oudh and Rohilkhand	3,26,48,785	3,31,34,409	3,84,92,842	3,63,06,369	3,66,29,596		
Great Indian Peninsula including Indian Midland	12,79,35,857	12,61,70,645	14,11,38,133	13,84,75,334	15,39,67,894	15,00,00	15,06,82
Agra Delhi Chord	50,30,667	47,07,855	50,84,396	45,92,319	...		
Bhopal	12,76,267	12,06,962	12,07,300	13,43,631	...		
Baran Kotah	1,62,889	1,77,242	2,11,961	2,20,482	...		
Cawnpore Banda	3,89,254	4,50,307	4,78,269	4,73,115	...		
State Railways worked by Companies.							
Assam Bengal	1,02,65,216	85,15,384	1,20,56,460	1,28,90,226	1,44,14,066	1,57,62	1,62,30
Bengal Nagpur	6,39,37,399	6,67,91,163	7,70,71,210	7,70,93,523	8,39,15,778	8,41,05	8,71,64
Bombay, Baroda and Central India	9,94,16,377	10,25,31,934	11,75,19,333	11,95,42,139	12,39,53,925	12,32,00	12,58,00
Burma Railways including Extensions and Southern Shan States	3,26,29,019	3,51,73,283	4,06,98,058	4,11,37,616	4,29,88,754	4,77,50	4,93,50
Madras and Southern Mahratta Railway including Mysore State lines	6,22,45,540	6,55,08,869	7,28,13,554	7,37,33,886	7,90,48,388	8,04,69	8,19,10
Dhone-Kurnool	1,82,083	1,85,177	1,89,230	2,21,215	2,40,939		
South Indian including Tinnevelly Quilon	4,27,06,378	4,59,62,936	5,10,28,796	5,27,06,168	5,14,78,092	5,47,62	5,59,40
Other Railways	1,66,51,233	1,83,11,284	2,10,74,316	2,01,60,376	2,25,53,553	2,28,65	2,30,34
Total Central	80,97,75,233	81,69,27,377	93,22,14,218	94,65,52,343	1,01,04,55,958	1,00,56,41	1,03,09,44
India	80,92,59,163	81,64,42,250	93,17,30,856	94,60,69,516	1,00,99,73,603	1,00,50,00	1,03,03,00
England	4,86,070	4,85,127	4,83,362	4,82,827	4,82,355	4,83	4,83
Exchange	...	..	...	..	...	1,58	1,61

APPENDIX II—*contd.*

State Railways.	Accounts. 1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
Working Expenses:	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
INDIA.							
State Railways worked by the State.							
Eastern Bengal	2,98,24,284	3,76,49,787	4,40,77,284	3,95,73,311	4,26,70,072	4,03,59	4,59,02
North Western—							
Commercial Lines	10,00,84,480	10,33,44,088	10,06,98,361	9,11,31,786	9,52,44,196	9,58,03	9,93,88
Strategic Lines		2,46,08,721	2,22,33,936	1,89,67,892	1,95,76,450	2,04,94	2,09,18
East Indian	7,40,71,007	8,57,40,108	10,01,22,354	9,98,39,844	10,30,54,022	12,23,41	12,38,22
Oudh and Rohilkhand	1,04,62,004	2,58,18,184	2,61,64,731	2,37,50,107	2,72,29,728		
Great Indian Peninsula including Indian Midland	9,67,79,411	11,80,71,791	10,58,31,167	9,15,57,559	9,11,80,494		
Agra Delhi Chord	38,72,250	43,05,257	38,08,140	30,83,340	...		
Bhopal	9,82,380	11,03,748	9,71,658	9,02,130	...	10,63,16	10,91,57
Baran Kotah	1,02,869	1,16,028	1,14,479	1,18,733	...		
Cawnpore Banda	3,19,083	4,34,314	3,82,129	3,41,312	...		
State Railways worked by Companies.							
Assam Bengal	83,01,024	84,38,775	92,27,437	91,00,837	90,96,326	1,06,38	1,13,30
Bengal Nagpur	4,38,60,570	5,33,17,021	4,43,17,322	5,11,27,579	5,15,72,432	6,00,09	6,20,33
Bombay, Baroda and Central India	6,75,12,138	7,99,28,942	8,24,16,577	7,14,56,582	6,70,85,283	7,75,30	7,78,89
Burma Railways including Extensions and Southern Shan States	2,21,87,533	2,47,26,298	2,43,96,464	2,52,25,907	2,53,52,669	2,78,25	2,82,88
Madras and Southern Mahratta Railway including Mysore State lines	4,17,61,942	4,59,12,876	4,73,98,926	4,32,89,648	4,33,60,220	4,82,37	4,77,42
Dhone Kurnool	1,29,317	1,39,434	1,26,580	1,31,570	1,37,992		
South Indian including Tinnevelly Quilon	2,56,95,051	3,34,02,156	3,59,08,882	3,04,74,778	2,82,56,826	3,24,90	3,30,40
Other Railways	92,32,104	96,19,025	1,14,19,698	1,04,55,157	1,10,43,569	1,11,33	1,19,80
Difference between the actual expenditure from Depreciation Fund and the contribution to the Fund	...	...	...	...	1,80,46,614	...	...
Deduct—Difference between book and market value of stores	...	...	...	...	—38,26,797	...	...
Total Central	54,54,37,464	65,66,78,003	65,96,16,125	61,05,28,077	62,90,78,686	65,92,35	67,29,99
India	54,51,37,464	65,66,78,003	65,96,16,125	61,05,28,077	62,90,78,686	65,75,77	67,05,79
England	...	...	...	...	...	12,50	18,15
Exchange	...	...	...	...	...	4,08	6,05

APPENDIX II—*concld.*

State Railways.	Accounts. 1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
Net Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
INDIA.							
State Railways worked by the State.							
Eastern Bengal	1,62,84,358	66,46,852	83,73,298	1,39,04,117	1,72,45,238	1,68,02	1,76,23
North-Western—							
Commercial lines	2,87,89,079	1,01,46,628	2,88,26,082	4,35,64,499	5,56,91,330	4,69,09	4,99,91
Strategic lines		—81,83,932	—67,07,641	—18,52,743	—35,89,813	—41,19	—43,16
East Indian	6,43,45,061	4,81,47,565	5,54,36,686	6,25,27,236	6,91,72,898	7,91,99	8,20,03
Oudh and Rohilkhand	1,31,86,781	73,16,285	1,23,28,141	1,25,56,262	95,99,858		
Great Indian Peninsula including Indian Midland	3,11,56,446	80,99,154	3,53,06,966	4,69,17,775			
Agra Delhi Chord	11,58,417	4,02,598	12,76,256	15,08,979			
Bhopal	2,03,887	1,03,214	3,25,642	4,41,501	6,17,87,400	4,66,84	4,75,25
Baran Kotah	...	60,314	97,482	1,01,744			
Cawnpore Banda	70,171	15,993	96,140	1,31,903			
State Railways worked by Companies.							
Assam Bengal	19,64,195	76,609	28,29,023	37,89,391	53,17,740	51,24	49,00
Bengal Nagpur	2,00,76,829	1,34,73,242	3,27,53,888	2,59,65,944	3,23,43,356	2,40,36	2,51,31
Bombay, Baroda and Central India	3,19,04,239	2,26,02,992	3,51,02,756	4,80,85,557	5,68,68,642	4,56,70	4,79,11
Burma Railways including Burma Railway Extensions and Southern Shan States	1,04,41,486	1,04,46,985	1,03,01,594	1,56,11,709	1,76,36,085	1,99,25	2,10,62
Madras and Southern Mahratta Railway including Mysore State lines	2,04,83,598	1,95,95,993	2,54,14,628	3,04,44,238	3,56,88,168	3,31,72	3,41,68
Dhone Kurnool	52,766	45,743	62,650	89,645	1,02,947		
South Indian including Tinnevelly Quilon	1,70,11,327	1,25,60,780	1,51,19,914	2,22,31,390	2,32,31,256	2,22,72	2,20,00
Other Railways	74,19,129	86,92,359	96,54,618	97,05,219	1,15,09,984	1,17,32	90,44
Deduct—Difference between the actual expenditure from Depreciation Fund and the contribution to the Fund	...	...	...	...	—1,80,46,614	...	...
Add—Difference between the book value and the market value of stores	...	...	...	...	+38,28,797	...	...
Total Central	26,46,37,769	16,02,49,374	27,25,98,093	33,60,24,266	38,13,77,272	34,64,06	35,79,45
India	26,46,37,769	16,02,49,374	27,25,98,093	33,60,24,266	38,08,94,917	34,74,23	35,97,21
England	...	...	...	...	4,82,355	—7,67	—13,32
Exchange	...	...	...	...	...	—2,50	—4,44

PART II.

GENERAL BUDGET.

Speech of the Finance Member

introducing the

Budget for 1926-27.

INTRODUCTORY.

Sir, In the Budget for 1925-26 the Government of India and the Legislature had the satisfaction of making a substantial beginning in the reduction of Provincial contributions, when, apart from other temporary relief, a permanent diminution of Rs. 2½ crores was effected in their total. We were enabled to take this welcome step in view of substantial realised surpluses in each of the years 1923-24 and 1924-25, and in expectation of a balance on the right side in the year 1925-26. I am glad to be able to inform the House that, in spite of the considerable revenue which we then gave up in relief of the Provinces, a realised surplus for 1925-26 is now assured. The exact figure is of course still a matter of estimating, but there is no doubt that the balance will be on the right side; and this notwithstanding the very unusual step taken during the year in regard to the Cotton Excise Duty. This duty ceased to be levied as from the 1st of December 1925 and in the announcement regarding the cessation of its levy it was made clear that, barring unforeseen accidents, suspension was intended in all but form to be equivalent to abolition.

2. This announcement inevitably takes away some of the beautiful uncertainty of anticipation, some of the pleasant thrill of expectancy, which is supposed to attach to the opening of a Budget. Instead of hoping—shall I say, against hope?—that this Budget may perhaps contain proposals for bringing to an end this tax, so long the subject of controversy, Honourable Members have, I suspect, already in their minds written it off, and, as they listen to me, are waiting in anxious suspense, not to learn the fate of the Cotton Excise Duty, but only to know what other reliefs, if any, may be in store for them. In regard to the Cotton Excise Duty, I will keep them in doubt no longer. I will admit them at once to the secret that the Finance Bill about to be presented to the House includes a clause abolishing the Cotton Excise Duty finally and entirely. The patient died on December the 1st, 1925, and it only remains for us to assist at his obsequies and give the corpse decent interment. We have no need to fear even its unlamented ghost. No miracle can restore it to life at this time other than some unthinkable accident in the passing of the Finance Bill.

Actual outturn of 1924-25.

3. Before satisfying the curiosity of Honourable Members in regard to other proposals in the Budget, I must first review shortly the actual figures for 1924-25 and, in somewhat greater detail, the revised estimates for the year 1925-26. Our revised estimates for 1924-25 anticipated a surplus of almost 4 crores. The audited accounts which have just been published show a surplus of 5·68 crores—an improvement of nearly 1·69 crores on our expectations of a year ago. Under all the heads of the Civil Budget, apart from Railways the net variation between the revised estimates and the actual

figures amounts to 15 lakhs only, though there are appreciable variations in both directions under individual heads. The increase in the realised surplus is accounted for almost entirely by a reduction in net military expenditure amounting to 70 lakhs and an increase in the contribution from Railways amounting to 1,14 lakhs. The savings in military expenditure arose from underspending in England due partly to decreased expenditure on purchase of stores and partly to an adjustment in India's favour of some payments to the War Office arising out of claims in connection with war expenditure. These claims, I may say, have no connection with the important sums in dispute between the War Office and the Government of India in regard to war expenditure. Negotiations for the settlement of these latter have been vigorously pursued during the year. The issues are complicated, and I am not yet in a position to announce the final outcome, but I have every hope that the result will in the end be regarded as not unfavourable to India. The large variation amounting to 1,14 lakhs under Railways is the result of an increase in the net railway earnings which, after the deduction of the fixed contribution of 5·09 crores, proved to be 8·07 crores instead of 4·65 crores as anticipated. There were savings in working expenses owing partly to adjustments in connection with the Privy Council decision regarding Customs duties on stores for Companies' lines. On the other hand, the gross traffic receipts exceeded expectations by 1·48 crores, chiefly because heavy traffic in grain and cotton developed in February and March, the movement of these crops beginning earlier than usual. One result of this is that the railway receipts in the early part of the current year fell below our anticipations. The final outturn of the year 1924-25 shows a revenue of 138·04 crores and an expenditure of 132·36 crores, leaving a realised surplus of 5·68 crores. The usual comparative table showing the actual outturn in each of the last ten years is attached to the printed Budget speech.

Review of the Year 1925-26.

General conditions.

4. Weather conditions in India in the year 1925-26 have not been altogether favourable. The winter rainfall a year ago was not unsatisfactory—I regret to say that it is less satisfactory in Northern India this year—but the wheat crop suffered from excessive cold and high winds. Almost throughout India the monsoon came to an end too early. In old days this might have caused really bad famine conditions in some areas, but the great improvement in our communications in recent years has contributed materially to a reduction of famine risks especially when, as in 1925, the monsoon rainfall was not entirely deficient. Indian trade and commerce during the year have, however, been less under the influence of internal conditions than under that of external conditions affecting world trade. I drew attention a year ago to the gradual recovery of trade from world-wide depression under the stimulus of greater general security and reduced prices. Similar forces have operated in India during 1925-26, but the fall in prices has been more marked than in the previous year. For all commodities the general index figure came down from 176 at the end of December 1924 to 163 at the end of December 1925. Prices of cotton piecegoods and, in a lesser degree, of raw cotton were a year ago entirely out of tune with the general price level. Raw cotton appears now to have returned very nearly to its pre-war relation to other prices, and this fact holds out the prospect of an increased volume of trade in cotton piecegoods as soon as prices become steadier. Cotton piecegoods are, however, still priced

at a level considerably above the general average in spite of a very marked fall especially during the last six months of the calendar year. It is perhaps not unnatural that during this painful period of restoration of price equilibrium the cotton mill industry, particularly in Bombay, has been subjected to serious difficulties and that there has been a considerable decrease in our imports of cotton piecegoods. During the first 9 months of 1925-26 there was a fall of 22 per cent. in value and 15 per cent. in the quantity of piecegoods imported. In our export figures a large reduction in the quantity and value of our exports of wheat is the most notable feature during this period

5. Apart from these two commodities, the trade figures of the year have been satisfactory. The tea industry has had another prosperous year, while the prices both of raw jute and jute manufactures show a considerable advance. A significant feature of the year which is of great importance in relation to the question of transport facilities in India has been the growth of the use of motor vehicles. There has been a large increase in the number of private cars in use and an even more striking increase in the number of vehicles plying for public hire. The number of motor vehicles imported has gone up by 24 per cent. Our receipts from the excise duty on petrol reflect the increase in the use of motor vehicles in a striking manner. Though the rate of duty was reduced by 33⅓ per cent. a year ago, yet our revenue from the duty is as high as before. Among other features of interest I may mention that imports of artificial silk have gone up seven-fold in two years.

6. During the course of 1925 the League of Nations issued a table designed to compare on a gold basis the total foreign trade of all the countries of the world in 1913 and 1924. According to the figures in that table India stood in 1913 eighth on the list of countries in the matter of the total value of foreign trade. In 1924 she had risen to the fifth place, and there is little doubt that she has maintained that position throughout 1925. In spite of a fall in values and the depression in the piecegoods trade, India's total foreign trade in the first ten months of 1925-26 amounted to 496·43 crores or only 16·81 crores less than the figure for the corresponding period of the previous financial year. The net imports of bullion during the calendar year 1925 amounted to 80·92 crores of which 60·69 crores represented gold. This latter figure is the highest ever recorded. But the boom in the demand for gold had nearly spent itself in the first three months of the calendar year, and the imports of gold in the ten months of the financial year beginning on the 1st of April 1925, at 28·10 crores are 18·09 crores below the corresponding ten months of 1924-25. The visible balance of trade including private imports of treasure was in favour of India at the end of January to the extent of 85·82 crores of rupees—a figure which should be compared with 42·29 crores a year ago and 63·30 crores in the corresponding period of the year 1923-24.

7. The rupee-sterling exchange has shown persistent strength almost throughout the year, and for the time being at any rate we seem to have come to an end of the wide fluctuations which have been a feature of the post-war period. Thanks in large measure to the steadiness of exchange and also to other causes such as the abstention of the Government of India from the loan market for purposes other than conversion—a subject to which I shall have occasion to refer later—the busy season of 1925-26 promises to be remarkable for an almost complete absence of stringency in the money market. After the severe stringency of the winter of 1923-24, conditions in the following season of 1924-25 showed a noticeable improvement and the Bank rate did not rise above 7 per

cent. and that only for a period of 4 months from January to May, 1925. It was reduced by the third week in May to 6 per cent. and by the first week in July to 4 per cent. The rate was raised again to 5 per cent. in the fourth week of September and remained there till the first week of December, when it went up to 6 per cent. If, as seems possible, we are able to get through the busy season of this year with a rate not higher than 6 per cent., this will be the first occasion since the establishment of the Imperial Bank of India when the rate has not risen as high as 7 per cent., and if we leave two exceptional war years out of the account, when conditions were artificial, it will represent what I think must be a record in the history of Indian banking, and will be an achievement for which the authorities of the Imperial Bank of India will deserve our special thanks and congratulations.

Revenue, 1925-26.

Customs.

8. Our Customs revenue for the current year reflects accurately the trade conditions at which I have glanced. The suspension of the Cotton Excise Duty from December onwards, coupled with the notable fall in values, has had the result of reducing our income from the duty by 71 lakhs as compared with the Budget estimate. The yield from the import duty on cotton goods was estimated cautiously at 7·30 crores, or 40 lakhs less than the revised estimate for 1924-25, but it is not now estimated that we shall collect much more than 6 crores. On the other hand, the increase in the world production of sugar has resulted in a very heavy fall in sugar prices leading to a large increase in the imports into India, and thanks to the action of the Legislature a year ago in passing an Act converting the previous *ad valorem* duty on sugar into a specific duty, our revenues have benefited very materially. Our present anticipations point to an increase of 1,30 lakhs under sugar, fully counterbalancing the decrease under cotton piecegoods. Protective duties show increased yields, and as I have already mentioned, the reduction in the excise duty on motor spirit has proved a great success in that it has led to no such decrease in the yield as cautious estimating made it necessary for us to anticipate a year ago. Thanks to these counterbalancing factors, we now anticipate, in spite of the loss of 71 lakhs on Cotton Excise Duty, gross receipts from Customs for the year of 47·83 crores, which is 30 lakhs higher than the Budget figure. A probable saving of 20 lakhs under refunds enables us to anticipate a total improvement of 50 lakhs in the net receipts which we now put at 46·85 crores.

Taxes on Income.

9. Under Taxes on Income, which are based on the profits of the previous year, we made what we considered a conservative estimate for 1925-26 in taking a net yield of 17·35 crores which was 87 lakhs below the Budget estimate of 18·22 crores for the previous year, though the figure actually realised in 1924-25 proved to be 16·01 crores only. Unfortunately our estimate under this head has again proved oversanguine. The gross receipts are now estimated at 17·88 crores, which is 69 lakhs less than the Budget estimate, while refunds, etc., exceed the estimate by 41 lakhs, making the net yield 16·25 crores, or 1,10 lakhs less than anticipated.

Salt.

10. With the salt duty at Rs. 1-4-0 we budgeted for a normal year's receipts. It has proved, however, that we made insufficient allowance for the large accumulation of stocks which followed on the reduction of the duty in March 1924. The

off-take of salt in the early months of the summer, particularly from the Northern India Salt sources, was much below normal and for the year as a whole we expect a decrease of 55 lakhs, making a net yield of 6·40 crores in comparison with the Budget figure of 6·95 crores.

Opium.

11. A supplementary grant of 51 lakhs was passed by this House during the Simla session in order to meet extra payments to cultivators in the United Provinces on account of the high outturn of the opium crop. The extra payments required, owing partly to savings elsewhere, are now expected to be 35 lakhs only, and they will be more than counterbalanced by the increase in receipts. The stocks of excise opium in treasuries which, as I explained in my Budget speech last year, were taken over and paid for by the Local Governments as on the 1st April, 1925, have proved to be higher by 24 lakhs than we had allowed for, thus adding by this amount to our non-recurrent receipts under this head. After taking these and other factors into account, we now anticipate that our net revenue from opium in the year will be 2·24 crores, which is 48 lakhs higher than we estimated last March.

Railways.

12. In framing our estimate of the receipts of the General Budget from Railways we allowed for the fixed contribution of 5·09 crores together with an estimated receipt of 15 lakhs representing one-third of the excess over 3 crores expected to be transferred to the Railway reserve. The net earnings from railways have proved, as the House is aware, slightly higher than anticipated in the original Budget, so that our share in the surplus over 3 crores is increased by 8 lakhs, and the total contribution from Railways is estimated at 5·32 crores.

Other Revenue heads.

13. We expect an increase of 43 lakhs under Interest owing mainly to higher rates for short money in London and higher cash balances there, and for similar reasons we anticipate an additional 46 lakhs of interest on investments of the Currency Reserves. The receipts from the Enemy Ships account and the first instalment of Reparation payments from Germany under the Dawes scheme give us an extra 21 lakhs under the head of Extraordinary revenue. This completes my survey of the Revenue side of the account for 1925-26, and explains my reasons for putting the revised estimate of revenue for the year at 131·35 crores instead of 130·68 crores.

Expenditure, 1925-26.

Exchange.

14. For a great part of the year we have been effecting our remittances at the fixed figure of 1*s*. $6\frac{1}{16}d$. and we are now able to anticipate that the average rate of exchange for the year as a whole for accounts purposes will be 1*s*. $6\frac{2}{3}d$. as against the Budget figure of 1*s*. 6*d*. Apart from an improvement of 6 lakhs in our railway revenues which affect us only indirectly, and again of 7 lakhs in regard to our capital expenditure, the revised figure for exchange accounts to the extent of 10 lakhs for an improvement in our revised budget of revenue and expenditure.

Military Services.

15. The variations in the largest item of our expenditure, Military Services, are not of the same magnitude as in previous years. The net expenditure on Military Services, according to the Budget estimate for the current year, was $56\frac{1}{4}$ crores. Accuracy in reaching a revised figure for military expenditure at this

period of the financial year is always specially difficult to attain, but the course of expenditure up to date points to a total net figure of 56·28 crores, or practically the same figure as our first forecast. Scrutiny of the account for non-effective services between India and the War Office has led to a special credit, for which no provision was made in the estimates of about 70 lakhs, representing a revision of the account with retrospective effect from 1919. As against this, expenditure in India has markedly exceeded the estimate in certain directions. A special provision amounting to 40 lakhs has had to be made for the purchase of certain kinds of ordnance equipment in which serious shortage has been disclosed. His Excellency the Commander-in-Chief has instituted an expert inquiry into the whole question of ordnance equipment with a view to ensuring that the real facts may be brought into clearer light and that the reasons for these shortages, which ought not to have occurred, if the system of control had been working properly, may be fully disclosed. A special grant of 15 lakhs has also been allotted for the purchase of supplies of ghee in March in advance of next year's requirements, it having been ascertained that by purchasing at an earlier date each year considerable economies can be effected. Savings of 16 lakhs on pension charges in India and an excess expenditure of about 20 lakhs owing to higher prices for articles of food and forage, are among the most important of the other variations. Since the net result of these variations is to bring the revised figure for net military expenditure out at practically the same total as the original Budget, the Finance Department are entitled to congratulate themselves on the satisfactory operation of the system introduced in connection with the 1925-26 Budget, of making a lump sum cut, which amounted this year to 20 lakhs, over the total military estimate

Civil expenditure.

16. I have already mentioned the excess of 35 lakhs in opium expenditure. Interest charges on permanent debt also exceed the estimate by 35 lakhs owing to the capital expenditure on railways having been less by 3½ crores than the budgeted figure, to a reduction in the interest chargeable to the Posts and Telegraphs Department, of which I shall speak later, and to the fact that the rate of interest chargeable on railway and other capital expenditure since 1917, which is arrived at by taking an average of the rates at which the Government of India have borrowed since that date has proved to be less than the figure assumed at the time of the preparation of the Budget. Plans are being worked out with a view to a modification of this rather complicated system of calculating interest and the substitution of a new procedure which will be less likely to disturb our Budget estimates. On the other hand, the revised figures of 1925-26 profit by an unexpected credit of 30 lakhs under the head of Interest owing to the payment by the Bombay Government of interest to the Provincial Loans Fund for 15 months instead of 12 months—a change of procedure introduced in order to bring their interest dates to the 31st March in each year. Slight variations in regard to other Civil expenditure apart from Posts and Telegraphs mostly cancel each other. The increased bounties on steel are almost exactly set off by the transfer of the charges on account of the Security Printing Press at Nasik to capital.

Precautions against over-estimating.

17. I have already referred to the successful operation, so far as military expenditure is concerned, of the system introduced a year ago, with a view to preventing over-budgeting, of making a lump sum cut. The total cut made in the estimates of Civil expenditure was 15 lakhs. It was made under twelve different heads, and

in all except two cases the cut has justified itself, the total expenditure having been kept by the Departments concerned within the reduced grants. The two exceptions are the Survey of India and the Indian Stores Department, in regard to both of which the House has already voted supplementary grants. As I explained in my Budget speech a year ago, this new procedure was regarded as experimental and we are proposing to repeat it for a second year in connection with the Budget for 1926-27.

Posts and Telegraphs.

18. The working of the Indian Posts and Telegraphs Department in the current year requires rather fuller treatment. The total gross receipts are now expected to be 10·23 crores, or 18 lakhs lower than the estimate. On the other hand, there is a saving of 19 lakhs in working expenses which, owing to certain abnormal circumstances which I shall explain shortly, are now estimated to amount to 9·57 crores. This makes the net receipts 67 lakhs as against our anticipation of 65¼ lakhs. This figure is of course exclusive of interest charges. At the time of the Budget it was anticipated that the final result of the working of the department for the year, after adjustment of interest, would be a small loss of Rs. 60,000. The figure included in the Budget for interest was 66 lakhs and was based, as I explained a year ago, on a rough figure, not at that time completely examined, for the total capital outlay on the Indian Posts and Telegraphs Department. The figure taken was lower than the capital outlay as shown in our books, and the intention was that the interest actually charged should be based on the depreciated block value of the assets of the department on the 1st of April 1925 when finally ascertained. The departmental investigations into the value of this block have now been completed, but the report is still under consideration. According to the figures in this report, the value of the assets is very much less than the book value, but the exact figures have still to be settled. For the present, I have felt justified in taking a round figure of 49 lakhs for interest as against the figure of 66 lakhs taken in the Budget. On this assumption, the net result of the working of the department as a whole is a profit of nearly 18 lakhs. This surplus is, however, non-recurring. The expenditure on postal stationery and stamps included in working expenses was 10 lakhs below the normal owing to the fact that the department was eating down stocks during the year. In addition, a previous wrong adjustment to the extent of about 8 lakhs under the head of Stationery and Printing charges has had to be corrected in this year's accounts, thus reducing the working expenses by a non-recurrent sum of 8 lakhs. The true estimated profit is thus reduced to vanishing point unless further savings accrue in working expenses, and unfortunately there is still some doubt as to the correctness of the figure for interest.

19. The House will remember that in my Budget speech a year ago I explained that it was proposed to transfer to capital the stocks of postal and telegraphic stores carried on revenue account on the 31st March 1925. The total value of such stores in the Indian Posts and Telegraphs Department was then estimated to be 1,24 lakhs. The actual balance has proved to be 1,61 lakhs. The stocks held in the Indo-European Telegraph Department have also to be taken into account, and as the credit on this account has proved to be 15 lakhs more than we allowed for, the total amount of this non-recurring credit to Revenue during the year 1925-26 will be 1,81 lakhs.

20. It will be seen that the revised estimates of revenue and expenditure for the current year have had to be arrived at after taking into

account considerable variations not contemplated in our Budget estimates. The most important of these, apart from the results of suspending the Cotton Excise Duty, are the increased credit to revenue of 52 lakhs from Posts and Telegraphs stores which I have mentioned, the increase of 24 lakhs in the value of the stocks of opium at treasuries taken over and paid for by Local Governments this year, the transfer of 17 lakhs of revenue expenditure to capital account in the case of the Security Printing Press at Nasik, and the decrease in net expenditure under the head of Interest amounting to 30 lakhs resulting from the payment by the Bombay Government of interest for fifteen months instead of twelve. All of these four items are in the nature of book-keeping transactions, but they have none the less the effect of swelling our surplus. The figures given in the Budget estimate for revenue and expenditure for the year were 130·68 crores and 130·44 crores respectively, leaving an estimated surplus of 24 lakhs. The improvement shown in the revised estimates is 1,06 lakhs, the figure for revenue being 131·35 crores and for expenditure 130·05 crores. The four special items which I have mentioned aggregate 1·23 crores and more than account for the increased surplus.

21. The following statement shows the main variations in revenue and expenditure working up to this total:—

	Lakhs.	
	Better.	Worse.
Customs	50	...
Taxes on Income	...	1,10
Salt	...	55
Opium (net)	48	...
Interest receipts	43	...
Currency receipts	46	...
Extraordinary receipts	21	...
Interest on debt (net)	...	35
Posts and Telegraphs	77	...
Railway contribution	8	...
Other heads	13	...
	3,06	2,00
Total, better	1,06	
Budget surplus	24	
Revised surplus	1,30	

Indian Archæological Fund.

22. This anticipated surplus would in the ordinary course be applied automatically to the reduction or avoidance of debt. The Government of India, however, desire to place before the Legislature a proposal for the utilisation of 50 lakhs of this surplus for the formation of an Indian Archæological Fund. The details of the proposal which will be embodied in a Bill will be explained more fully to the House in due course. Its financial effect will be to apply 50 lakhs of the surplus, which would otherwise go to debt redemption, for the purpose of capitalising our liabilities in connection with archæological research. It is not therefore except in form a departure from the sound rule that a realised surplus should go to reduction of debt.

Future budgets will be saved from a revenue charge on this account, but as it may be assumed that our outstanding debt will be 50 lakhs higher than it would otherwise be and our interest charges consequently increased, the net ultimate effect on future budgets is nil. Its immediate effect upon our revenue estimates for the current year will be to reduce the revised figure for the surplus to 80 lakhs.

23. We who are living in Delhi do not need to be reminded of our debt to the Archæological Department. When in the intervals between our deliberations we visit any one of the historical monuments that surround us, we realise the care and skill which have been devoted to preserving these ancient structures and to beautifying their surroundings. We realise and are grateful. But this is not the only side of the Department's activities. There is another which is perhaps less well-known, the work of excavation. Some of us have had the privilege of visiting Taxila and studying the fascinating antiquities, taking us back two thousand years in Indian history, which have been unearthed there in the last two decades. We are glad that they are now to be housed in a suitable museum. But if Taxila takes us back two thousand years, the recent discoveries at Harappa and Mahenja-Daro will, if the evidence is confirmed, transport us in one flight to a period of Indian history three thousand years earlier. Nay more: they hold out expectations of enabling us to get back thousands of years earlier still to a period in human history which was as remote from the inhabitants of Mahenja-Daro in the year 3000 B. C. as those ancient Indians of the Indus valley are from us to-day. The Indo-Sumerian discoveries open up a vista which may once again revolutionise the world's knowledge of the early history of mankind. Their possibilities are such that they must excite even the most unimaginative.

24. Sir John Marshall, to whom since the day when the late Lord Curzon brought him here Indian archæology owes a very great debt, has stated that a hundred crores of rupees could be spent on archæological research in India without doing more than scratch the surface. Almost the only source from which funds are at present available for excavation in India and Burma is the Central Budget. However desirable archæological expenditure may be in the cultural interests of India and of mankind, it is obvious that the taxpayer cannot be asked to give more than comparatively small sums. In 1923-24 the grant for Archæology was cut down severely under the influence of retrenchment. In 1925-26 the sum available for research was about 1·3 lakhs including the provision made in connection with Sir Aurel Stein's special work in Central Asia. The Finance Department have been pressed to provide a considerably larger sum in 1926-27, but we intimated that about 2½ lakhs was the maximum which we could see our way to grant.

25. Meanwhile, in spite of the obvious importance of following up the recent discoveries, the Archæological Department have found that they cannot frame a considered programme for a period of years and cannot train young Indians as archæologists in the absence of the possibility of giving them security of tenure or employment. The idea has accordingly been mooted that an Indian Archæological Fund should be started, and a Board of Trustees established somewhat on the lines of the Trustees of the British Museum. Once the Fund came into effective existence, it might, it is hoped, attract donations from Indian Princes and from others interested in archæology and from winter visitors to India whose imagination is I find always stirred by Indian monuments. The essence of the proposal which will be placed before the Legislature therefore is that, instead of voting a

grant of 2½ lakhs in the estimates for 1926-27 it should make a supplementary grant of 50 lakhs out of the surplus of 1925-26 as an initial endowment for the Fund. As I have already explained, this amounts to little more than a book-keeping change so far as our budgets for 1926-27 and for future years are concerned. Meanwhile, however, the Fund will be well started; the interest on the endowment of 50 lakhs will bring in approximately 2½ lakhs a year to be spent on archæological research. The Trustees will be able to make an attractive appeal in other quarters for additional endowments and can go ahead to frame a programme and to train budding archæologists. Archæological excavation is the most practical form of historical research, and it is a form in which I am convinced India can make an immense addition to the world's historical knowledge. But it is ineffective unless it can be pursued on an adequate scale and according to a programme based on the regular receipt of at least a minimum income. The income of the proposed Archæological Fund will be devoted to systematic and continuous archæological excavation. The people of India are justly proud of their past and I feel sure they will welcome the establishment of this endowment for historical research.

Ways and Means and Public Debt.

26. The real improvement which has come about in the finances of the Government of India during the last few years and the strength of our position during the financial year 1925-26 are strikingly reflected in the figures of our Public Debt and of our debt position generally and in the story of our ways and means operations. The House will remember that in my Budget speech last year I stated that not only did we not anticipate any necessity for borrowing outside India during the year, but also that the maximum amount that we should require to raise by a rupee loan in the open market in India would be 12 crores. I stated that it was not improbable that at the same time as we approached the market for a rupee loan we should also place before the public a conversion offer with a view to beginning operations for the conversion of early maturing bonds. In the event, we found ourselves able in June 1925 to announce that our operations in the market in India would be confined to a conversion loan in view of the improvement shown by the figures of our actual balances on the 31st March 1925 in comparison with our anticipations indicated in the revised budget figures. This increase in balances was mainly due to the increase in the net railway earnings which affected both our revenue surplus and our ways and means position, and to the drawings upon us by the Provincial Governments proving very much less than they had anticipated at the time they framed their budgets.

27. Our ability to dispense with a cash loan was most welcome to the money markets of India, but it was a subject of some comment in various quarters that the estimates framed at the time of the introduction of the Budget were proved only three months later to be so far out. I am inclined to think that the phraseology consecrated by long usage in Indian budget speeches which refers to the ways and means portion of the statements as a "Ways and Means Budget" is somewhat misleading, in that it may tend to give the public the impression that the figures and estimates in the ways and means portion of the Budget make a claim to comparative exactness not inferior to that made by the figures of our revenue and expenditure estimates. Our Ways and Means Budget is intended to be and necessarily must be illustrative rather than exact. The ways and means figures bring together the net results of operations of very varying

character all over India and Burma and in London. To a large extent these operations are either not under the control of the Government of India at all or only very indirectly under their control. The aggregate result of the variations in the estimates of incomings and outgoings of the Provincial Governments on Revenue and Capital account brought to light between the date at which the Central Budget figures were prepared and the date when the balances of the Provincial Governments on the 31st March 1925 began to be approximately ascertained—a period of from 3 to 4 months—accounted for a reduction of not far short of ·6 crores in our estimate of the finance required during the year 1925-26 for meeting aggregate outgoings. Apart from the operations of the Provincial Governments, our balances are affected by the incomings and outgoings on account of various deposit and advance heads, sums received and paid out in respect of provident funds of various descriptions, deposits and withdrawals of the Post Office Savings Bank, and purchases and encashments of Post Office Cash Certificates. In these circumstances it is neither possible nor desirable to attempt to lay down a rigid ways and means programme far in advance. The only result of doing so would necessarily be to swell our balances needlessly. At the same time it is certainly desirable that we should do anything that may reasonably be possible to secure greater accuracy in the estimates of Provincial Governments' incomings and outgoings, and I am not entirely satisfied that improvement in the machinery for dealing with our deposits and advances accounts is unattainable. These and cognate subjects are at the present moment engaging the careful attention of the Finance Department of the Government of India.

28. The decision to confine our market operations to the conversion loan in the summer of 1925 has been amply justified by results. In spite of heavy remittances in advance of requirements in London, we have been able to finance our outgoings in India without serious inconvenience, and without resort to the money market for temporary accommodation or assistance from the Imperial Bank in the form of ways and means advances. The conversion loan resulted in conversions of bonds maturing during the years 1925 to 1928 to a total of 30·61 crores, of which over 25¾ crores were conversions into the 5 per cent. income-tax free loan of 1945-55, and about 4¾ crores into the new issue of 10-year bonds liable to income-tax. The conversion loan involved immediate cash payments which amounted to 87·6 lakhs. This sum, however, included the premiums on 1925 and 1928 bonds to the extent of 23·4 lakhs which would have had to be paid at maturity in any case. The additional amount of cash payments involved may therefore be put at 64·2 lakhs. As the result of the conversion loan we have effected an annual saving in interest on the bonds converted of approximately 18·7 lakhs, and in addition 4¾ crores of the public debt have become subject to income-tax instead of being income-tax free. Moreover, apart from this considerable reduction in our annual charge for interest we have reduced our liabilities for the repayment of maturing loans during the next three years by nearly 29 crores, and in particular our liability in respect of the 6 per cent. bonds maturing in September, 1926, has been brought down from 37·9 crores to 20·05 crores. This operation has thus materially eased the problem of dealing with our maturing debt, the magnitude of which I had occasion to explain to the House in a speech on February 18th, 1925, as well as in my Budget speech a year ago, and we hope to reap further reward from this successful conversion operation when the time comes for the issue of a rupee loan next summer.

29. Before dealing with this latter question it would be convenient for me to summarise our ways and means position for the years 1925-26 and 1926-27. The figures are as follows:—

(Figures in crores of rupees.)

	Revised, 1925-26.	Budget, 1926-27.
Outlay.	Rs.	Rs.
1. Railway capital outlay	19·5	26·0
2. Other capital outlay (including Delhi, Post and Telegraphs, Vizagapatam Harbour, etc.)	4·5	2·5
3. Provincial Governments, transactions	6·0	7·0
4. Discharge of Debt	38·3	23·8
	68·3	59·3
Resources.		
1. Surplus	·8	...
2. Rupee Loan	30·6	22·0
3. Postal Cash Certificates	6·4	4·0
4. Other unfunded debt (including Postal Savings Banks)	5·8	5·6
5. Debt Redemption	5·0	5·0
6. Depreciation and reserve funds	7·0	5·6
7. Miscellaneous (net)	·7	2·1
8. Reduction of Cash balance	12·0	15·0
	68·3	59·3

30. The House will share the satisfaction of the Finance Department and of the Government of India in the strength of the position which these figures disclose. During the year 1925-26, instead of borrowing over 7 crores net in the market in India as anticipated in the Budget statement, we have discharged 2 crores net of market debt in India and have paid off 5·7 crores of market and other debt in England. Nevertheless, we have financed during the year new capital expenditure chargeable to loan funds to a total of 30 crores of which 6 crores is on behalf of Provincial Governments through the Provincial Loans Fund. How has this striking result been achieved? A fuller explanation would involve a closer analysis of the figures than is perhaps desirable in a Budget speech, and I must be content to refer only to the main items. Our capital expenditure has been financed in the first place to the extent of about 12 crores by a reduction of balances, though these are still about 14 crores higher than we anticipated a year ago. Our Debt Redemption scheme gave us 5 crores and our revenue surplus will give us 80 lakhs. The Post Office Cash Certificates and other unfunded debt, including the surplus of Post Office Savings Bank deposits over withdrawals, and the railway reserve and depreciation funds provided us with the balance. The incomings from railway reserve and depreciation funds and from cash certificates were in each case about 2 crores more than we had estimated.

31. In 1926-27 maturing debt falling due for repayment including railway debentures to be redeemed in England amounts to nearly 24 crores.

The capital expenditure of the Central Government amounts to 28½ crores of which 26 crores is railway capital outlay. The Provincial Loans Fund estimate shows an outgoing of 7 crores for advances to Provincial Governments. We thus require nearly 24 crores for maturing debt and 35½ crores for new capital expenditure or nearly 60 crores in all. In order to meet this liability we expect to be able to draw further on our cash balances to the extent of 15 crores. We look for 11½ crores from miscellaneous sources including Post Office Cash Certificates and other unfunded debt, and about 5 crores each from the Debt Redemption provision and from railway reserve and railway and other depreciation funds. So far therefore as we are able to judge from our present estimates, we shall require to raise a loan in the money market of an amount not exceeding 22 crores. There is no likelihood of our having to resort to external borrowing during 1926-27, this being the third year in succession in which the issue of an external loan will have been avoided. We expect to confine ourselves accordingly to the issue of a rupee loan in the Indian money market for a sum not exceeding 22 crores, of which 20 crores will be for the renewal of the bonds maturing next September. The net amount of new money required from the Indian market will not exceed 2 crores, which is less than the amount needed to pay off external debt in London. More than the whole of our new capital programme amounting to over 35 crores will be financed without recourse to market borrowings. It will be a matter for consideration whether at the same time as we issue our rupee loan we should offer a further opportunity to holders of bonds maturing after 1926 for anticipatory conversion, as we did last year.

32. In any case I feel confident that the strength of the position thus disclosed following on what was achieved during 1925 will have a markedly favourable effect on the terms on which we shall be able to borrow. The progressively falling rate of interest at which our loans in India have been taken up by the public will continue to operate to our advantage. Our conversion issues last summer were offered on a basis of 5 per cent. tax-free or about 5½ per cent. subject to tax. It is interesting to observe that the new 5 per cent. bonds subject to tax are now quoted in the market at a price showing a considerable premium over the issue price and our 5 per cent. tax-free loan 1945-55 now stands definitely above par. The following figures showing the market prices of Indian Government securities in India for the last four years tell their own tale.

	Market price on			
	1st February, 1923.	1st February, 1924.	1st February, 1925.	1st February, 1926.
	Rs. A.	Rs. A.	Rs. A.	Rs. A.
5 per cent. Tax-free loan 1945-55 . . .	88 4	96 10	97 15	100 12
3½ per cent. Indian Government Rupee loan .	57 0	66 0	66 9	70 8

33. While I am dealing with this subject, I shall like to draw attention also to the movement of prices for Indian Government stocks in London, which brings out clearly the advance in the Indian Government's credit in that market which has resulted from the absence of any new borrowing since May 1923 and from the general improvement in India's financial position. As I pointed out last year, we were fortunate in the rate we secured in May 1923 for our last loan in London. Generally speaking,

prices of gilt-edged securities on the London market stood at a higher level at that period, than they have done at any time since that date, when we offered £20 million of India 4½ per cent. stock to the public at 90. The market prices of gilt-edged securities in London including Indian Government loans are at all times governed by the general conditions of the market, and have during the last year been considerably affected by the comparative stringency which followed on the steps taken to restore and maintain parity of sterling with gold. The following figures compare the price of India 3 per cent. and 3½ per cent. stock in London in April 1914, April 1923 and February 1926, with the prices of certain other gilt-edged securities at the same dates:

	30th April, 1914.	30th April, 1923.	1st February, 1926.
India 3 per cent. loan	75¼	60¼	58
India 3½ per cent. loan	88¼	70¼	68
Local loans 3 per cent. stock	87	69⅛	64¼
London County Council:			
3½ per cent. stock	97	79⅞	73
3 per cent.	81	68½	63

I give a further table comparing the price of India 4½ per cent. stock on 30th April 1923 and 1st February 1926 with the price of British Government 3½ per cent. conversion loan on the same dates.

	30th April, 1923.	1st February, 1926
India 4½ per cent. stock	90⅜	88¾
3½ per cent. conversion loan	81	76 5/16

It will be seen that, though owing to general market conditions the prices of Indian Government securities are lower now in London than they were either in April 1923 or in April 1914, the credit of the Government of India stands considerably higher in the market in relation to that of the British Government and other gilt-edged borrowers than it did either in 1914 or in 1923. Another rather remarkable conclusion which emerges from these figures is that the Government would at the moment at least have to pay rather a higher rate of interest for money borrowed in London than for a loan issued in India

34. It is not open to doubt that the improvement in India's credit to which I have drawn attention is due to the strenuous efforts made by the Government of India and the Legislature to restore and maintain complete budgetary equilibrium and to the policy which we have adopted in regard to provision for reduction and avoidance of debt and to strict adherence to our rule of borrowing only for purposes which are clearly reproductive. The effect of this policy of encouraging whenever possible all sound schemes that come forward for capital expenditure of a reproductive character and using our credit in the market only for the purpose of financing such reproductive expenditure, apart of course from the financing of maturing liabilities, is further illustrated in the figures which I now proceed to give regarding the Debt of India. As this is the last Budget with which the present Assembly will be called upon to deal, I have had figures prepared showing the position of our debt as on the 31st March 1923 in order to bring out the changes which have taken place during the three financial years corresponding to the three years of life of the present House.

Statement showing the Debt of India, outstanding on the 31st March 1923, 31st March 1924. 31st March 1925 and 31st March 1926.

	31st March, 1923.	31st March, 1924.	31st March, 1925.	31st March, 1926.
		(In crores of rupees.)		
In India:—				
Loans	339·83	358·81	370·38	368·35
Treasury Bills in the hands of the public	21·59	2·12	...	...
Treasury Bills in the Paper Currency Reserve	49·65	49·65	49·65	49·65
Other Obligations				
Post Office Savings Banks	23·20	24·79	25·64	27·48
Cash Certificates	3·13	8·12	13·12	19·52
Provident Funds, etc.	36·17	39·00	42·39	46·27
Total Loans, etc.	411·07	410·58	420·03	418·00
Total Other Obligations	62·50	72·21	81·15	93·27
Total in India	473·57	482·79	501·18	511·27
		(In millions of £)		
In England:—				
Loans	222·92	244·53	263·39	266·43
War Contribution	19·71	19·27	18·81	18·32
Capital value of liabilities undergoing redemption by way of terminable railway annuities	61·31	60·10	58·84	57·53
Provident Funds, etc.	·01	·13	·16	·20
Total in England	303·98	324·03	341·20	342·18
		(In crores of rupees.)		
Equivalent at 1*s.* 6*d.* to the Rupee	405·31	432·04	454·93	456·64
Total Debt	878·88	914·83	956·11	967·91
Productive (for Central Government	536·65	557·09	600·05	627·71
Productive (for Provinces	87·49	97·56	106·43	114·39
Total Productive	624·14	654·65	706·48	742·10
Unproductive	254·74	260·18	249·63	225·81
Total	878·88	914·83	956·11	967·91

35. In order to show the figures of our external debt in a significant way, I have converted sterling at the current rate of 1*s.* 6*d.* per rupee not only for 1925 and 1926 but also for 1923 and 1924. The improvement in our exchange has undoubtedly given us some temporary relief in the burden of interest and other payments on sterling debt, and its effect of course is to bring about a marked reduction in the rupee figure as compared with what it would have been at 1*s.* 4*d.* It must be assumed, however, that the higher rate of exchange has no permanent effect on the actual burden imposed on the country in meeting our external obligations since, if the number of rupees required is reduced, the commodity value or purchasing power of each rupee is correspondingly enhanced. The effect of taking 1*s.* 6*d.* is also particularly noticeable in regard to the unproductive debt figures. It will be seen that our total debt of all kinds had increased from

878·88 crores on the 31st March 1923 to 956·11 crores on the 31st March 1925 and by a further 11·80 crores to 967·91 crores on the 31st March 1926. The unproductive debt was 254·74 crores on the 31st March 1923, 249·63 crores on the 31st March 1925, and will be 225·81 crores on the 31st March 1926 out of a total debt of 967·91 crores. At the present moment it may be said, in order to put the position in a graphic way, that the whole of our rupee debt and more than half of our sterling debt is productive, and that our unproductive debt is now less than one quarter of the whole debt. Excluding the Provincial Governments' debt, the increase in the productive debt during the current financial year amounts to 27·66 crores, while the increase in the three years since 31st March 1923 amounts to 91·06 crores. Unproductive debt has decreased during the year 1925-26 by 23·82 crores.

36. Our internal debt, excluding Provincial Governments' debts to the Government of India, on the 31st March 1923 was 386·08 crores, on the 31st March 1925, 394·75 crores, and on the 31st March 1926, 396·88 crores. Our external debt on the 31st March 1923 was 405·31 crores, on the 31st March 1925, 454·93 crores, and on the 31st March 1926, 456·64 crores. The increase in our external debt during the current year is, as last year, purely nominal. The latter figure includes 4·67 crores or £3½ million of Great Indian Peninsula Railway Company's debentures which, exactly as was the case in 1924-25 with the 24·67 crores or £18½ million of East Indian Railway Company's debentures, are not really an increase in the debt of India as a whole but are merely a transfer from the railway company to the Government of the liability to meet the same interest charge out of the earnings from the same Railway. These two operations more than account for the whole of the increase in the net amount of our sterling debt since 1924. In real truth the operations of the last two years have effected a considerable reduction in India's external liabilities, since, besides taking over the debentures of the railway companies concerned, the Government of India have bought out the shareholders of these railway companies without borrowing in London for the purpose, thus converting an external debt into an internal debt. A further operation of the same sort will take place on the 1st April 1926 when a sum of £3 million provided out of the Government of India's rupee resources and remitted in sterling to London will be applied to buying out the shareholders of the Delhi-Umballa-Kalka Railway.

37. I have more than once publicly stated my conviction that if India would only learn to use her potential capital in greater measure for productive purposes than she does at present—I do not mean merely for investment in Government securities—and by the development of the banking and investment habit would make available for remunerative expenditure in India a larger portion than she now does of the surplus which she earns annually by the export of her products, not only would an immense impetus be given to the commercial and industrial development of India's resources and new and attractive fields opened for the employment of her educated young men, but the process of converting external debt into internal debt could be very greatly accelerated. In two years the taxpayer of India has managed, without increasing his external obligations, to purchase for his own use and profit the equity of the East Indian Railway, the Great Indian Peninsula Railway and the Delhi-Umballa-Kalka Railway. Is not this an object lesson of what the future may have in store if we set our minds wholeheartedly to the development of our own internal resources by the

wise application and investment of our own internal capital? The Government are doing what they can to forward the movement, but much must depend on private enterprise and initiative, on the spread of education of the right kind and on the combating of what has been well designated by my friend Mr. Rushbrook Williams as India's "uneconomic tradition which does not recognise the production and accumulation of wealth as being among man's legitimate aims ". There are those, I know, who fear that acceptance of the legitimacy of such an aim would involve a prostitution of India's highest self to ignoble ends. What shall it profit a man if he gain the whole world and lose his own soul? If I believed that India's adoption of this western economic doctrine would jeopardise the high achievements of India's speculative thought and sacrifice her spirituality to a materialistic and selfish creed, I would unhesitatingly range myself with the opponents of change. I do not think it is open to challenge that the depths of understanding of man's relation to the Infinite which have been attained by the best of India's speculative thinkers hold out to Western civilization as it exists to-day a hope of spiritual progress—I stress the word " progress "—which is an essential complement and corrective to the materialism which springs from over-emphasis on the practical business of conquest of Nature's secrets and their compulsion to man's service. India long ago revolutionised mathematics and provided the West with the key to the most far-reaching of all among the mechanical instruments on which its control of nature has been built, when it presented to Europe through the medium of Arabic the device of the cypher upon which all modern systems of numeration depend. Even so, India, to-day or to-morrow, will, I feel confident, revolutionize Western doctrines of progress by demonstrating the insufficiency and lack of finality of much of the West's present system of human values. But I do not think that the denial of all value to western endeavours to increase the production and accumulation of wealth is essential as a support to the Indian philosophy of life. I hold that increased production and accumulation of wealth are a means—in themselves indifferent, neither good nor evil—but an indisputable means towards the attainment of a higher ideal, the broadening and deepening of life's meaning for the individual and still more for the mass of mankind. What matters essentially is the purpose with which they are striven after, and East and West alike can and ought to strive after them as a means to a higher end. It is an Indian commentator on Mr. Rushbrook Williams' challenge who has said that the trouble is that this uneconomic tradition has not made the Indian less materialistic than the European, but it has made him a worse materialist.

Post Office Cash Certificates.

38. Among the instruments of our policy of encouraging the investment habit, the Post Office Cash Certificate takes a prominent place. This security combines in itself features belonging to savings bank deposits, in particular the facility for encashment at any time and protection against any risk of depreciation in value, together with some of the characteristics of an investment. It may be regarded as the ideal security for the very small investor enabling him to cross the bridge dividing a depositor in a savings bank from a holder of marketable investment securities. It has been observed in England, and is no doubt true in India also, that a considerable portion of the money withdrawn when Savings Certificates are cashed is not really thereby withdrawn from investment altogether, but is used for the purpose of reinvestment by the holder, for example, in house property, in the purchase of a business or in a marketable security of some kind.

The money would very likely not be saved at all if it had not first of all been attracted to the profitable purpose of the purchase of one and then another cash certificate. It is then accumulated for a period at compound interest and when it comes to be withdrawn the sum now grown to larger dimensions is added to the invested capital of the country, and all the time a new class of small investor is being created by this process. During the year the popularity of the Post Office Cash Certificate has been even more pronounced than before and any action tending to check the growth of the habit of investment in cash certificates would be contrary to the true interests of India.

39. At the same time it must be realised that the rate of 6 per cent. compound interest, which is obtainable on a cash certificate held until maturity, is now unduly high when regard is had to the general fall in the rate of interest obtainable on other Government securities. We are moving on, as I have already said, towards a period when even 5 per cent. will seem a high rate of return on an investment issued on the security of the Government of India. The recent action of the Imperial Bank of India in reducing its rate of interest for savings bank deposits to 3½ per cent. may be cited as a further proof of the passing of the period of high interest rates generally. We are therefore considering the question of making some alteration in the terms on which the Post Office Cash Certificates are at present offered for subscription, while at the same time introducing certain new measures which will add to the popularity of these certificates and prevent any reduction in the yield from checking seriously the growth of the habit of investing in them. I have observed recently some criticism of the Government's policy in offering these certificates for sale on the ground that the growth of bank deposits is thereby checked. In so far as these complaints have reference to the high yield at present obtainable, the reduction which we contemplate should remove any ground for objection. But I take issue with these critics when they imply that the general policy of issuing cash certificates militates against other forms of saving and depositing of savings with banks. No truth has been more firmly established by the experience of all the countries which have adopted and extended the system of cash certificates or corresponding securities than that the general stimulus to saving and investing which they give reacts beneficially on all other forms of saving.

40. The Government of India are not infrequently accused of want of elasticity in their approach to financial questions and lack of imagination and of sympathy with the burden of the taxpayer of the day. I take the accusation of want of elasticity as a compliment. It can, I think, mean little more than that we have a definite policy and stand by it. Imaginative finance is apt to mean a capacity to budget for imaginary receipts which fail to accrue. The easiest road to popularity for a Finance Member is the adoption of a policy of making posterity pay. I have already drawn attention to the really striking improvement in our credit and in the figures of our Public Debt which has resulted from strict adherence to the principles of avoiding all borrowing for other than truly productive purposes and making adequate provision for reduction or avoidance of debt. The common complaint against this policy is that it adds to the burden of the taxpayer of to-day by postponing the date when Provincial contributions can be further relieved and taxation reduced. I challenge even this conclusion. The direct result of our policy on the Budget figures for 1926-27 is that our total charge for interest is over 1 crore less than in the revised estimate for 1925-26 and 3·44 crores less than in 1923-24. A continuance

of this policy is certain to lead, in the absence of untoward incidents, to a considerable further reduction in the charge for interest in, 1927-28 and future years. Departure from it would have disastrous effects on the rate of interest which we should have to pay for renewals of our maturing debt and for the new capital required for reproductive purposes. If we are able this year to bring to an end the unhappy history of the Cotton Excise Duty, it is largely because of the reduction in our interest charges. Nor is it only the taxpayer of the Central Government who benefits by the results of this policy. The figures I have given relate to the net charge for interest in the Central Budget alone. If railway rates and fares are in process of reduction, it is in part due to the reduction in the charge for interest on capital, present and future, invested in our railway enterprises. If some of the Provincial Governments have received relief in regard to their Provincial contributions and if they and the other Provincial Governments are hoping for further relief, it is to an appreciable extent the reduction in our interest charges which has enabled us to do what we have done and which justifies our hope and theirs of further relief. Not only so, but the reduction in the charge for interest directly affects their own budgets, in that it serves to reduce the rate which they have to pay for their borrowings from the Central Government. A year ago the House showed its recognition of the wisdom of our policy regarding provision for reduction and avoidance of debt by endorsing that policy and voting in full the demand in which that provision was included. To-day I am able to show to the House the direct benefits of its wise action in this matter, and I trust that the House and the country will now realise that it is not from any desire to maintain taxation at a higher level than is absolutely unavoidable that we insist on the debt policy which we have adopted, but that such a policy is directly calculated to bring real advantages and real relief to the taxpayer of to-day as well as to the taxpayer of to-morrow.

Improvements in financial machinery.

41. Before I pass on to the Budget estimates for 1926-27, I desire to refer briefly to some not unimportant changes which have been made this year in the form of the documents which will shortly be placed before the House. A year ago, as the House will remember, we introduced various changes in the form of the Demands for Grants in the light of observations made by the Public Accounts Committee. This year we are in possession of the results of an inquiry conducted at the request of the Public Accounts Committee into the possibility of improving the appropriation reports on lines suggested by that Committee. The Auditor General's recommendations were considered by the Public Accounts Committee in August last and received their general approval, and their wishes are being carried out in the Appropriation Reports for the year 1924-25 now under preparation. In order to bring the Demands for Grants into general conformity with the Appropriation Reports and thereby to facilitate comparisons between estimates and actuals, corresponding changes have been made in the form of the Demands for Grants for 1926-27. Each grant is now shown sub-divided into a number of sub-heads and the actual expenditure will be accounted for under each so that the Public Accounts Committee, when they scrutinise the final accounts, will be able to compare without difficulty the actual expenditure with the budget provision under each sub-head and to fulfil more easily their constitutional task of examining the extent to which savings under one sub-head have been utilised by the Executive Government towards extra expenditure under another. The existing division by circles of account has, however, been retained and details of expenditure

are given in the same fullness as before. Another change which will jump to the eye of anyone using these volumes is that we have reduced most of them to octavo size—a change which effects a considerable reduction in the cost of printing. It is not possible to alter the size in all cases this year, but our intention is to complete the process of conversion to octavo size in full a year hence.

42. A separate demand will be included in the 1926-27 Demands for Grants for expenditure in connection with the separation of Audit from Accounts in the United Provinces. This measure has been advocated by the Retrenchment Committee and by the Reforms Enquiry Committee from different points of view. The latter Committee held that separation of Provincial from Central finance was an essential preliminary to any appreciable advance towards provincial autonomy in financial matters, but before such separation can be accomplished, Provincial Governments must be in control of their own Accounts. Audit, however, appears to be a subject which should remain as at present in the hands of a single authority, the Auditor General, all over India. The separation of Audit from Accounts is therefore involved as a preliminary to further advance and it appears to offer other incidental advantages. I need only mention two at present. The new system of accounting which we propose to introduce greatly facilitates a closer and more efficient control of expenditure by the Department responsible for that expenditure as a continuous process during the period of the expenditure. The Audit department, on the other hand, is relieved from the mechanical routine duties involved in the present system and its audit becomes more searching. With the approval of the Secretary of State, therefore, we have decided as an experimental measure to introduce the new scheme of separation, as from 1st April 1926, in the accounts of the United Provinces whose Government have expressed their desire for its introduction.

Budget Estimates for 1926-27.

Expenditure.

Military expenditure.

43. The form in which the detailed Military estimates will be placed before the House has not been materially altered as has been done in the case of the Civil estimates, and the changes are confined to a more logical rearrangement of minor heads. As Honourable Members are aware, a Committee has been appointed to investigate the system of Cost Accounts at present in force in the Army, with a representative of the Public Accounts Committee of this House among the members. Our experience of the present system of cost accounts during the last four years and the fact that the British Government have recently decided to introduce radical modifications into the system of cost accounting in the British Army led us to the conclusion that such an inquiry had become necessary in India. Material changes in the form of the military estimates have therefore to be postponed pending the examination of the recommendations of that Committee. Fuller explanations have, however, been given of the various details of the military estimates in view of the desire expressed in the course of the Budget debates last year by members of this House.

44. The net military expenditure for the year 1926-27 is estimated to amount to 54·88 crores, *i.e.*, a reduction of 1·37 crores as compared with the Budget estimates for 1925-26, thus marking a further stage in advance towards the goal set by the Retrenchment Committee. The provision for established charges amounts to 54·24 crores, the balance representing remnants of special post-war charges. The figure of 54·88 crores includes a

sum of 66 lakhs for the payment of gratuities to demobilised officers, this being the last year which will be burdened with a charge of this character. 23 lakhs have been provided for the completion of the building programme in progress in Waziristan and for the Royal Air Force. On the other hand, we appear for the moment to have come almost to the end of the surplus war stores which have been a feature on the credit side of the account for some years past. We are allowing for a credit of only 25 lakhs under this head as compared with 70 lakhs in the Budget estimates of 1925-26 and 1,10 lakhs in 1924-25. The figure of 54·24 crores net for established charges includes a sum of approximately 60 lakhs for new urgent measures mainly of a non-recurring nature for the purchase of new equipment.

45. Among the more salient features in the new estimates I may mention first the disappearance of provision for one British Cavalry regiment, costing a sum of 22 lakhs a year, which has now been dispensed with, this being the last of the specific reductions of the strength following on the recommendations of the Retrenchment Committee which remained to be carried out. Charges for pensions in India and in England show a recurring reduction of 37 lakhs, while payments to the War Office for British transport charges have been brought down by 17 lakhs. It has been necessary to provide an additional 20 lakhs owing to higher prices for articles of food and forage, and an additional 20 lakhs is also included for the purpose of accelerating the programme of electrification of barracks and of building of new lines for Indian troops. As a set-off to this last liability, an additional credit of 20 lakhs is anticipated from the disposal of surplus military lands and buildings.

46. Our total expenditure on military services, including the Army, Marine, Military Works, and the Royal Air Force, amounted in the year 1920-21 to 87·4 crores net, of which about 20 crores represented special expenditure on operations in Waziristan. With the cessation of these operations, the Budget estimates for 1922-23, which formed the basis of the Retrenchment Committee's investigations, showed a net total expenditure of 67·75 crores. The recommendation of that Committee was that the Budget for 1923-24 should be fixed at 57¼ crores, subject to such additions as might be necessary in view of the delay which would ensue in carrying out the changes recommended and in order to meet special expenditure in Waziristan, etc. The Committee went on to say that for subsequent years the adoption of their recommendations should enable the estimates to be reduced to 57 crores, irrespective of savings due to further economies or fall in prices, and they expressed the opinion that continuous efforts to ensure further reductions should, in combination with the expected further fall in prices, enable the military budget to be reduced to 50 crores net after the lapse of a few years. The actual expenditure of the year 1923-24 amounted to 56·23 crores and the first stage of 57 crores mentioned by the Retrenchment Committee was thus passed in the first year. The figure of 56·23 crores included heavy expenditure on gratuities to demobilised officers and in Waziristan, but these abnormal items were counter-balanced by credits from the proceeds of sale and utilisation of surplus stores. The Budget for the year 1923-24 allotted a net sum of 62 crores for military services. This was reduced in the Budget for 1924-25 to 60¼ crores, but by the time when the Budget for 1925-26 was under consideration the actual effect of the retrenchment operations, which it had been difficult to gauge in advance, had become apparent, and it was possible to reduce the budget provision for 1925-26 to 56·25 crores net.

47. The following table brings out the results achieved at a glance:—

Net expenditure of Military services.

(In crores of rupees.)

	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.
Budget estimate . .	66·82	67·75	62·00	60·25	56·25	54·88
Revised estimate . .	69·35	67·09	59·74	56·33	56·28	
Actual expenditure .	69·81	65·27	56·23	55·03		

These figures include certain disturbing items both on the credit and debit side, and it is therefore of special interest to compare the true figures of the established charges, that is, the normal cost after elimination of special charges such as those for demobilisation of surplus officers and special credits for the eating down of surplus stores. In comparing these figures with the figures given by the Retrenchment Committee, Honourable Members should bear in mind the fact that certain charges amounting in 1926-27 to 39 lakhs, of which the most important are the charges for Customs duty on imported stores and the cost of Stationery and Printing, have been added to the military estimates since 1923-24, as the result of new decisions regarding classification.

Adjusted figures of Established charges.

(In crores of rupees.)

	1923-24.	1924-25.	1925-26.	1926-27.
Estimate	61·9	59·4	55·0	54·2
Actuals	56·7	55·8	55·2 (revised estimate.)	

48. I cannot allow this opportunity to pass without referring once again to the deep debt of gratitude which I owe to the late Lord Rawlinson for his wholehearted co-operation and earnest determination to secure economy in expenditure on military services. His untimely death meant a grievous loss to me—I lost a personal friend and a colleague to whom I owed more than I can say—and India lost a true friend. The ideal at which he constantly aimed was an Army in India not larger than he regarded as absolutely essential in India's interests, adequately equipped and fully trained, so that India might obtain the maximum service from a fully efficient force at the minimum cost. Our military expenditure was kept during his regime under constant scrutiny by the Finance and Army Departments with the object of securing further economies. I gladly add that this policy has been continued under his successor and has the full support of His Excellency Sir William Birdwood. I am confident that adherence to this policy will result in still further reductions in our military expenditure without the sacrifice of that essential security which must always be our first aim.

49. We are fortunately able to foresee considerable savings of an automatic character in our established charges in future years, as the result of the reduction of the rates of pay of the British soldier which came into effect in October, 1925. The immediate saving for 1926-27 under this head is not appreciable as the reduced rates of pay affect only new recruits, but it is estimated that, taken in conjunction with the reductions below present cost which will in due course result from the recent revision of the pay of officers in July, 1924, the savings from this source should amount to 12 lakhs in 1927-28, increasing annually to about 80 lakhs in 1930-31, and about 1¾ crores in 1933-34. Before leaving the military estimates, I must refer briefly to the question of stocks held by the Army on which I commented last year. During the course of the year the whole question has

been completely examined and considerable modifications are necessary in the figures then given which were based only on information available at headquarters. A full statement of the balances now disclosed will be found in the volume of detailed estimates. The amount of stocks held proves to be appreciably in excess of the amount indicated in the figures placed before the Retrenchment Committee, and of those on which we have hitherto been working. One of the terms of reference to the expert committee of inquiry into the arsenals and ordnance depôts which I mentioned earlier in my speech is the examination of surplus and obsolete stocks, and I have little doubt that a further reduction will be effected as the result of this enquiry.

Civil expenditure.

50. I now turn to our estimates of Civil expenditure. The total figure of Civil expenditure in the revised estimates for 1925-26 is 41·46 crores; the corresponding figure for 1926-27 is 41·76 crores. This small increase, which amounts to 30 lakhs, conceals a big decrease. In 1925-26 we had a big non-recurring credit, originally estimated at 1·29 crores but now ascertained in the revised estimates to be 1·81 crores, on account of the transfer of postal and telegraphic stores (including the stores of the Indo-European Telegraph Department) from Revenue to Capital. The chief feature of the expenditure of 1926-27 is the reduction, whose significance I have already endeavoured to explain, of approximately 1 crore in the charge for interest. For market debt the charge for interest in 1926-27 shows a reduction of 1·79 crores on the current year's figures partly because of the effects of our conversion loan and partly because we were able to finance all our own capital expenditure including railways and the capital expenditure of Provincial Governments without adding to our market debt. On the other hand, there is an increase of 75 lakhs under Interest on miscellaneous obligations which includes interest on provident and similar funds, savings bank deposits, cash certificates and unfunded debt generally. The net reduction in interest charges is therefore, as already stated, about one crore.

51. A drastic reduction of the area under cultivation in the United Provinces by one-third results in a considerable reduction in our expenditure on opium. A further reduction is anticipated in the near future as the result of the substantial reduction in the prices paid to cultivators. These steps had already been taken, in consideration of the large surplus of stocks that we at present hold and of future requirements, before we arrived at the decision announced recently to recommend to the Legislature a policy of progressive reduction and eventual extinction of our exports of opium. On this important question of policy I need say no more at the present moment beyond drawing attention to the fact that it foreshadows the progressive reduction and eventual disappearance of a head of revenue which at present brings us in approximately 2 crores a year.

Additional expenditure on beneficial services.

52. Our estimates of Civil expenditure include increased provision for what I may call beneficial services. I drew attention a year ago to the increase in the current year's estimates under these heads and a recent debate showed that the House shares the view of the Government of India that some addition to expenditure in these directions is both desirable and proper, and that the Finance Department's motto of wise expenditure within our available resources and avoidance of waste rather than retrenchment at all costs is endorsed by public opinion. Among new items and increases in existing items of expenditure on beneficial services included in the Demands for Grants I may mention an enhanced grant of 6¾ lakhs to

the Indian Research Fund Association, an increase of about a lakh for education in the North-West Frontier Province, as well as a non-recurrent grant of about 1¼ lakhs for a new building for the Government High School at Peshawar, a further grant of Rs. 50,000 for the construction of the Victoria Hospital at Ajmer and a similar grant towards Dr. Shroff's new Eye Hospital in Delhi. We have increased the grants to the Benares and Aligarh Universities by Rs. 25,000 each and that to Delhi University by Rs. 10,000 and have provided 2 lakhs each as the first instalments of non-recurring grants to the two first named Universities. Additional funds have been provided for research at Coimbatore, Pusa, and Muktesar, and for the development of the Dairy Farms at Bangalore and elsewhere and of the Anand Creamery recently taken over from the Military Department, and further provision has been made towards the completion of the new Forest Research Institute at Dehra Dun, where over 60 lakhs out of a total sanctioned programme of over a crore has already been spent.

53. The provision for reduction or avoidance of debt in accordance with the plan set out in the Government of India Resolution dated the 9th December, 1924, requires 4·83 crores in 1926-27 or practically the same figure as in 1925-26. The Government of India propose, however, to make two changes which affect the total amount of expenditure under this head in 1926-27. Two years ago on the passing of the amendment to the Sea Customs Act the practice was introduced of adding to the provision for reduction or avoidance of debt a sum equal to the Customs duty on stores imported on capital account including stores for the use of State-managed railways. I promised a year ago to reconsider this practice in the light of criticisms raised in regard to it in this House. There are objections in principle to inflating revenue at the expense of capital. Our object in amending the Sea Customs Act and making Government stores liable to duty was clearly not to increase the Customs revenue at the expense of our capital charges. I recognise, however, that there are arguments which can be brought forward on the other side in view particularly of the fact that the railways pay a contribution to general revenues on the basis of their capital expenditure including whatever may have been paid in Customs duty and that railway rates and fares are calculated with reference to the capacity of the railways to earn profits on the whole of their capital expenditure. We have therefore decided to meet the views expressed by critics in this House a year ago and omit this portion of the provision for redemption of debt. An opportunity for reconsidering the whole question can be taken at the expiry of the five-year period for which the Debt Redemption scheme is in force.

54. The second proposal which the Government of India are making in this connection will be found enshrined in a clause in the Finance Bill dealing with the disposal of the sums received by India from Germany on Reparation account. These sums represent India's share of the amount allocated to the British Empire out of the Dawes annuities. The actual allocation is full of complications. The payments by Germany for all treaty charges under the plan adopted vary from 1,000 million gold marks at the start to 2,500 million gold marks in the fifth year; thereafter they are to be fixed at the latter sum together with a supplement computed according to an index of prosperity. The annuities are payable in German currency and the amount to be transferred to Germany's creditors outside Germany has to be decided by a Transfer committee with reference to the capacity of Germany to make deliveries in kind or in cash without endangering the stability of the mark. Before the total amount so transferred outside is distributed, a number of charges

have to be deducted including, for example, the cost of service of Germany's £40 million external loan, the cost of the Reparation Commission, the amounts allocated towards the payment of the Army of Occupation and of the Belgian War debt, and other items. The exact amount available for distribution is thus at all times problematical and extraordinarily difficult to forecast. The British Empire as a whole receive 22 per cent. of the total sum available, and India receives 1·2 per cent. of the British Empire's share. The best calculations that I have been able to make, which necessarily are based on somewhat arbitrary assumptions, point to an annual receipt by India over the next few years of sums varying between a minimum of £66,000 and a maximum of £250,000. In 1924-25 we received £37,400 and we expect to receive about £66,700 in 1925-26. The present estimate of receipts in 1926-27 is about £120,000.

55. The reparation receipts may be said broadly to cover in the case of India one or other of the following classes of expenditure: (*a*) pensions and allowances payable by the Government to war sufferers; (*b*) expenditure in replacing losses by enemy action or in repatriation of enemy nationals; (*c*) compensation payable to private persons and local bodies. So far as expenditure on replacing stores lost by enemy action and the cost of repatriation of enemy nationals are concerned, the receipts represent recovery of expenditure previously incurred by the Government. Such expenditure added to the deficits of past years and was in effect met from borrowed funds. Recurring expenditure is still being met by the Government in respect of pensions and allowances. Some part has already been covered but the major part will come in future years. The receipts which the Government now obtain from the Reparation account represent a contribution towards the capitalised value of such payments. The compensation payable to private persons and non-Government bodies stands on a different footing. The receipts on this account are not really receipts of the Government of India except in a technical sense.

56. It seems reasonable to utilise receipts from Germany under all but the last head for reduction or avoidance of debt rather than to treat them as an ordinary item of revenue. Only by this procedure will there be annual savings in interest in future to correspond to annual payments on account of pension. The Government propose therefore that payments for compensation shall be deducted from the total reparation receipts and applied for the purpose for which they are intended, and that the balance of our reparation receipts shall be devoted to the reduction or avoidance of debt. By thus applying these special receipts, the Government will I think be following the procedure which is most in accordance with financial propriety, and we shall at the same time avoid disturbance in our own Budget estimates arising out of the fluctuating and uncertain character of these receipts. This proposal and the proposal to bring to an end the practice of setting aside for debt purposes a sum equal to the Customs duty on stores imported on capital account are intended to be taken together. The result of the two proposals combined will be to relieve our revenues of a charge of about 7 lakhs if our estimate of receipts on reparation account is approximately correct.

57. This may perhaps be a convenient point at which to mention that we are continuing for 1926-27 the assignments on account of Customs duty on Government stores introduced as a temporary measure two years ago to those Provinces which have not yet obtained a reduction in their contributions to the Central Government. The only important item in this connection is a sum of 5·39 lakhs payable to Bombay. It is obviously

desirable that these assignments, which are objectionable in principle, should be extinguished at an early date and we propose very shortly to take up this question in connection with the examination of the Report of the Taxation Enquiry Committee recently published, with special reference to their proposal for modifying the existing Devolution Rule 15 in regard to the payment to the Provinces of a share in Income-tax receipts.

Revenue, 1926-27.

Customs.

58. I now turn to the estimates of our revenue. It is necessary to anticipate some diminution in the imports of sugar, but we may reasonably look for compensation for the sums thus lost in increased receipts from duty on cotton piecegoods and in what I may call the normal growth under other heads. On this basis the net revenue under the head of Customs is estimated at 48·15 crores, or an increase of 1·30 crores over the revised estimate for the current year. This figure includes 1.75 lakhs of revenue from the Cotton Excise Duty. This may be regarded as a fairly conservative estimate of what the yield from the duty would be if it were continued. The yield in 1924-25, the last year in which the duty was fully collected, was 2,18 lakhs, while the highest figure during the last six years was 2,31 lakhs.

Taxes on Income.

59. The main change in the trade conditions of 1925-26 as compared with the previous year is that the cotton mill industry in Bombay has passed through what I hope will prove to be the period of its severest depression. We have to allow therefore for an appreciable reduction in our revenue from Bombay under the head of Taxes on Income. Conditions elsewhere have been on the whole better than in the previous year and our administration is increasing all the time in efficiency. We have adopted for 1926-27 a figure of 16·15 crores of receipts under this head or 10 lakhs less than our revised estimate for 1925-26. This represents 1·20 crores less than the Budget estimate for the current year.

Salt.

60. I estimate our receipts under the head Salt at the figure of 6·90 crores, which assumes that accumulated stocks will have been worked down by the end of this month.

Opium.

61. The gross receipts from opium are estimated at 59 lakhs below the revised figure for 1925-26 which included a large adventitious receipt under Excise opium owing to the taking over by the Provincial Governments of stocks held at treasuries. The net receipts are estimated to be practically the same as this year, namely, 2·26 crores owing to reductions in expenditure already referred to.

Railways.

62. As the House is aware, the total contribution from Railways to general revenues during 1926-27 is estimated at 6·01 crores. This represents simply the amount of the fixed contribution based on the actual receipts for 1924-25 which was a particularly profitable year. It assumes that the net gain from Railways, after deducting the contribution, will not exceed 3 crores and will accordingly be transferred in full to the railway reserve.

Posts and Telegraphs.

63. The working expenses of the Indian Posts and Telegraphs Department for 1926-27 are estimated at 10·17 crores, or 61 lakhs more than in 1925-26. The growth of working expenses is due in part to the absence of the non-recurrent features

which, as already explained, made the figure of 1925-26 less than the normal, and in part to an increase in expenditure amounting to 10 lakhs due to the decision of the Railway Department to withdraw the concession of free railway passes to postal employés, and to the inclusion of a provision of about 19 lakhs for new measures designed to improve the emoluments and terms of service of the postal and telegraph staff. The concessions in the case of the postal staff involve an addition of 15 lakhs to our expenditure. The gross receipts have not kept pace with the increase in expenditure, and we can expect an improvement of only 41 lakhs, making the total of our gross receipts for 1926-27 10·65 crores as compared with 10·24 crores in 1925-26. The Post Office account alone shows an estimated profit of 20 lakhs, but there is a loss of 20 lakhs on the Telegraphs and of 10 lakhs on the Telephones, owing largely to the fact that the charge for interest is proportionately heavier in the case of the latter services. The upshot is that the estimates of the year point to a loss of approximately 10 lakhs on the working of the department as a whole. I have, however, every confidence that a revival in trade will lead in due course to a considerable addition to our revenue from telegrams which has recently been disappointingly low, and that by next year the department will be completely self-supporting. To complete the picture I must add that owing to a reduction in traffic we expect, in addition, a loss of 6·7 lakhs in 1926-27 on the working of the Indo-European Telegraph Department.

64. The House will observe that in face of these figures it is impossible for us to contemplate any reduction this year in the rates for letters and postcards—a subject on which after an interesting debate in this House a few weeks ago further discussion was adjourned in order that the whole matter might be considered in its proper setting in connection with the Budget figures. The wisdom of the course then taken is now apparent. Such a reduction of charges as was then under consideration is clearly impossible unless the taxpayer is to be saddled with the burden of a heavy subsidy in relief of the customers of our postal and telegraph system. I know that a return to pre-war rates is keenly desired in many quarters in the House and in the country; nor would the Government desire to oppose such a reduction for a moment if they believed that it was within the range of practical politics. I desire, however, to put the question frankly before the House. There is in my view no probability whatever of a return to pre-war rates for letters and postcards except at the cost of a heavy and steadily increasing subsidy from the pocket of the taxpayer. It is desirable that we should face the facts boldly and not deceive ourselves or others by holding out false expectations.

65. The truth is that we are confronted by what I may call a secular change in conditions in India. The very cheap rates of postage to which India had become accustomed before the war were possible only because of the very low level of prices in India as compared with other countries. The last three-quarters of a century have witnessed a steady rise in the average level of prices throughout India—a rise which was the natural and inevitable outcome of the far-reaching changes which were gradually making their effect felt on the conditions of life in India. I may illustrate these changes with reference to figures on index numbers of prices going back to 1860. If we take the figure for the average of the year 1861 for wholesale prices in the United Kingdom and India as 100, the increase in the year 1924 in the case of India is represented by a figure of 251 and in the case of the United Kingdom by a figure of 142. If we go back only as far as 1914 and compare pre-war with present prices, the increase in

India is from 100 in 1914 to 163 at the end of December 1925. The corresponding increase in the United States is from 100 to 158, and in the United Kingdom from 100 to 153. In the face of these figures which, whatever doubts we may have as to the absolute accuracy of the calculations on which the index numbers are framed, are at least a reasonable guide to the general trend of events, it is impossible to expect that the Indian Postal Department should be able to carry letters or postcards at the rates prevailing in 1860 or even in 1914. We cannot expect wages and expenses to stay at a level below the average rise in prices generally. Unless therefore the future holds out the prospect of a considerable further fall of prices to at least the 1914 level—a development which would probably be undesirable in the general interests of India's prosperity—we must admit the logical conclusion that the day of the 3 pie postcard and the 6 pie letter is past beyond recall. Much as we may regret this inevitable conclusion, it is better that we should cease to delude ourselves with unrealisable hopes and should set ourselves to secure the maximum efficiency and the greatest possible facilities to the public from the department as things are to-day.

Other receipts.

66. Our estimates of revenue assume the continuance of the practice of appropriating to revenue the interest on the Paper Currency Reserve and the surplus of the Gold Standard Reserve over £40 million. We may, I think, assume that, whatever changes may be introduced as the result of the recommendations of the Royal Commission on Currency, the profit now obtained by the Government from these Reserves, whatever form they may assume, will not be substantially affected. In regard to other heads of receipt, extraordinary income from enemy ships will no longer accrue to us, and it is necessary to estimate interest receipts on a lower scale than this year.

Surplus.

67. We are now in a position to frame our balance sheet. The total estimated revenue for 1926-27 amounts to 133·43 crores, and the total estimated expenditure amounts to 130·38 crores. We are left with a surplus of 3·05 crores. I hasten to remind the House that the latter figure includes the sum of $1\frac{3}{4}$ crores for receipts from the Cotton Excise Duty.

Conclusion.

68. To what extent can we regard this surplus as being free for us to dispose of? How far is it a recurring surplus? The House will observe that I have made no reference except in a very incidental way to the Report of the Taxation Enquiry Committee, or to the proceedings of the Royal Commission on Currency. The former's report has only recently come into the hands of members, and though incomplete copies have been available to the Government for a somewhat longer period, we came to the conclusion that the extremely interesting and instructive material which it provides demands more prolonged and more complete examination than was possible in the time at our disposal. I have therefore included in this Budget no suggestions for modification of our taxation system in the light of the Committee's recommendations. Their recommendations will give all the Governments in India and their legislatures ample material for reflection in the course of the coming year. The report is, I think, a most valuable addition to our knowledge of the Indian taxation system, and in the compass of one volume we have here a complete survey of all the taxation at present imposed. Important additions to our understanding of the problem of the relation between Central and Provincial taxation

are made in many passages in the Report. I take this opportunity to-day of thanking Sir Charles Todhunter and his colleagues for the hard labour which they have devoted to mastering their subject and for the instructive report which they have placed before us. So far as the present Budget is concerned, however, we are justified in assuming that, whatever decisions may be arrived at in the light of the recommendations of the Taxation Enquiry Committee, they will not affect the question of the disposal of the year's surplus.

69. The same assumption must be made in regard to the work of the Royal Commission on Currency. Our estimates assume the continuance of the present credits to revenue of the interest on Currency investments. They also assume an average rate of exchange of 18*d.* for 1926-27. It is impossible to anticipate the conclusions of the Commission and equally impossible, besides being very undesirable, to set aside any portion of the year's revenue as an insurance fund against possible repercussions on our Budget position in future years. Nor have we any present reason for regarding such an insurance as requisite.

70. In regard to other items in the Budget we have to remember that the receipts from Railways in 1926-27 are high; the earnings of the year 1925-26 were not as good as those of the previous year, so that our fixed contribution from Railways in 1927-28 may be less by as much as 79 lakhs than in 1926-27 if the actual figures for Railway receipts for 1925-26 confirm our revised estimates. Our opium revenue is also an uncertain factor. The net revenue fluctuates within rather wide limits and at times may even increase owing to sudden decreases in expenditure following on reductions in the area cultivated and in the price paid, but the progressive elimination and eventual extinction of our opium revenue has to be assumed. There is, however, no reason to think that this loss of income which must necessarily be spread over a period of years cannot be counterbalanced by growth of revenue in other directions. Our Income-tax revenue is exceptionally low at the moment and may certainly be counted upon to give a considerably increased yield in later years. Finally, we look for further economies in our military expenditure which still contains special items of a non-recurrent character.

71. After giving full weight to these various considerations, we have come to the conclusion that there is no undue risk in treating the whole of our surplus as a recurrent one. I have already confided to the House the secret that the Finance Bill includes provision for the final abolition of the Cotton Excise Duty, and the privilege of sharing with the Government in the credit for this historic achievement will belong to the Legislature when the Finance Bill is passed. This leaves us with a divisible surplus available for other purposes amounting to 1,30 lakhs. The House will I feel sure have no hesitation in agreeing that past expressions of policy and the truest interests of the people of India alike demand that, after using 1¾ crores of the sum at our disposal for the reduction of Central taxation, we should devote as much as we can of the rest to the relief of the Provinces. We accordingly propose to apply 1,25 lakhs to the further reduction of the Provincial contributions in accordance with the Devolution Rules. The relief thus afforded will go to the extent of 57 lakhs to Madras, 33 lakhs to the United Provinces, 28 lakhs to the Punjab and 7 lakhs to Burma.

72. The total of the Provincial contributions fixed under the Meston Settlement was 9·83 crores. A year ago we made a permanent reduction of 2½ crores and provided 63 lakhs for the continuance of the temporary

remission of Bengal's contribution. With the additional 1¼ crores set aside now, we shall have reduced our reliance on the Provinces by 4·38 crores in all, which is not very far short of half the total. The Provinces whom fortune and the Devolution Rules favour this year are (apart from Bengal) the same as those which obtained the biggest benefit a year ago. But the turn of the other Provinces will come. They are all brought much nearer fruition by the events of the last two years and will no longer feel that the prospect of remission does not interest them. Meanwhile the taxpayers if not the Government of the Province of Bombay in particular and of other Provinces in a lesser degree secure the benefit of the repeal of the Cotton Excise Duty, the relief given in this budget being divided between the Central taxpayer and the Provincial Governments.

73. At an earlier stage in my speech, the approaching end of the life of this Assembly tempted me to compare the figures of India's debt now with those of three years ago. Before closing let me indulge in a further glance backwards and a glimpse into the future. The first Assembly was burdened with the ungrateful task of imposing extra taxation in order to bridge the yawning gap between revenue and expenditure, a task that at one time seemed well-nigh hopeless. The Budget of 1924-25 which coincided with the first session of this House signalised our definite escape from the era of deficits and brought the Salt tax back from Rs. 2-8 a maund to the present rate of Rs. 1-4. For this reduction, though no doubt it had the assent of the majority, only the minority in this House who voted for the second reading of the Finance Bill can claim to share the credit with the Government and the Council of State, and the Government did not conceal their view that a higher rate, which might have enabled us by now to have achieved the complete extinction of the Provincial contributions, had much to commend it. But, if this House dealt in a step-motherly way with the Budget of 1924-25, it placed to its credit six months later the convention in regard to the separation of railway finance from general finance, a reform which I regard as the greatest financial achievement of the years under review. We have made other advances in our financial machinery during this period, such as the establishment of the Provincial Loans Fund and the formulation of a clear policy of reduction and avoidance of debt, and we have paved the way for other advances, as for instance, the separation of Accounts and Audit, and the reform of the Indian currency system. We have moreover greatly improved the mechanism of the Assembly's financial control. But the new arrangement for dealing with our Railway Budget remains the outstanding feature. It has cleared the path for a continuous programme of railway construction and rehabilitation, and is the direct parent of the proposals for progressive reduction of rates and fares which has now been put in hand, while it has relieved our general finances of an intolerable burden of uncertainty. The Delhi session of 1925 found the Government and the Assembly working together, as you, Sir, will remember, to put the finishing touches to our Debt Redemption plans and to make a substantial beginning of the remission of Provincial contributions. To-day we are continuing last year's work while at the same time celebrating the happy extinction of the notorious (even if sometimes maligned) Cotton Excise Duty.

74. I ask those who profess unending dissatisfaction with the Reforms and denounce them as a sham and the Government as insincere and unresponsive, does the financial story of these three short years justify depression or despondency? In that brief space we have immensely improved our financial machinery and have progressed nearly half-way on the road to extinction of the Provincial contributions, and we have reduced the Salt

tax and abolished the Cotton Excise Duty. For five years the Reformed Legislatures have been at work in India. It is true that weather conditions have on the whole favoured us and that the level of taxation is still high in comparison with 1914, though not in comparison with other countries. But to me it seems undeniable that the association of chosen representatives of the people of India with the Executive Government and their constant interaction the one upon the other in the Assembly and the Council of State have enabled India to win through the inevitable discomforts of the period following the war with a measure of success that makes her financial position the envy of other nations and could scarcely have been possible without the Reformed Constitution. The members of this House appear to me sometimes to fix their attention so earnestly on what are called political questions as to overlook the steady advance towards the goal of constitutional self-government which is being registered day by day in administration and in finance. Mr. Coates, the present Prime Minister of New Zealand, made a confession of faith in a speech delivered last May soon after he succeeded to the Premiership, which deserves, I think, the careful consideration of those who are working for India's future. " It may seem ", he said, " that I have unduly stressed the financial and administrative aspect of Government. My six years of Ministerial service, however, have convinced me that intensive application of the principles of sound finance to every function of Government is ever essential in the public interest. It is from that solid foundation created that we can build the structure of our public services and enable the development of our country to proceed. . . . . Only by judicious care and foresight in setting our financial foundations is it possible to devote the necessary attention to all our citizens ".

75. The Government of India and this Assembly have not always seen eye to eye on financial questions, but the record shows that we have worked together, not without reward, to establish a foundation of financial stability far more firmly based than when we began. We leave to the next Assembly the task of building on those foundations with the firm assurance that, though all the difficulties are not surmounted and though new anxieties may arise, they will not have to complain of our work of preparation and will find their financial heritage a source of strength in advancing to the solution of the political and constitutional tasks which await them.

BASIL P. BLACKETT.

The 1st March 1926.

Statement comparing the actual Revenue and Expenditure of the Central Government (Imperial Revenue and Expenditure before the Reforms) with the Revised Estimates for each year from 1915-16 to 1924-25.

(*See* paragraph 3 of speech.)

(In thousands of Rupees.)

	Revised Estimates.			Actuals.		
	Revenue.	Expenditure.	Surplus (+) Deficit (−).	Revenue.	Expenditure.	Surplus (+) Deficit (−).
1915-16 . .	78,89,08	81,58,21	−2,69,13	80,00,96	81,79,26	−1,78,30
1916-17 . .	97,25,67	88,27,37	+8,98,30	98,53,10	87,31,37	+11,21,73
1917-18 . .	1,14,84,48	1,06,27,74	+8,56,74	1,18,70,58	1,06,57,52	+12,13,06
1918-19 . .	1,27,94,65	1,34,79,88	−6,85,23	1,30,40,66	1,36,13,72	−5,73,06
1919-20 . .	1,44,07,56	1,59,18,67	−15,11,11	1,37,13,98	1,60,79,27	−23,65,29
1920-21 . .	1,35,10,35	1,48,03,61	−12,93,26	1,35,63,32	1,61,64,17	−26,00,85
1921-22 . .	1,13,15,32	1,41,94,52	−28,79,20	1,15,21,50	1,42,86,52	−27,65,02
1922-23 . .	1,20,70,17	1,37,95,52	−17,25,35	1,21,41,29	1,36,43,05	−15,01,76
1923-24 . .	1,31,96,04	1,29,89,97	+2,06,07	1,33,16,63	1,30,77,63	+2,39,00
1924-25 . .	1,34,82,26	1,30,82,68	+3,99,58	1,38,03,92	1,32,35,66	+5,68,26

Budget

of the

Government of India,

March 1926.

ACCOUNTS	1924-25
REVISED ESTIMATES	1925-26
BUDGET ESTIMATES	1926-27

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BUDGET FOR 1926-27.

I. - General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1924-25.	Budget Estimate, 1925-26.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
		Rs.	Rs.	Rs.	Rs.
Revenue—					
Principal Heads of Revenue—					
Customs	A	45,75,31,516	46,35,00,000	46,54,57,000	46,40,00,000
Taxes on Income	,,	16,01,48,252	17,34,87,000	16,24,69,000	16,14,67,000
Salt	,,	7,39,64,860	6,95,00,000	6,40,00,000	6,90,00,000
Opium	,,	2,79,76,177	3,55,85,000	4,59,00,000	3,80,00,000
Other Heads	,,	2,06,93,150	2,23,14,000	2,19,05,000	2,25,43,000
TOTAL PRINCIPAL HEADS		75,02,53,956	76,43,86,000	76,07,31,000	75,50,10,000
Railways : Net Receipt (as per Railway Budget)		37,22,94,697	33,89,44,000	33,76,91,000	35,44,32,000
Irrigation : Net Receipts	A	10,91,925	10,42,000	11,00,000	8,21,000
Posts and Telegraphs : Net Receipts	,,	1,11,25,087	68,11,000	68,38,000	45,52,000
Interest Receipts	,,	3,41,00,265	3,60,44,000	4,03,19,000	3,47,11,000
Civil Administration	,,	73,97,533	72,60,000	82,10,000	77,86,000
Currency and Mint	,,	3,99,32,894	4,08,07,000	4,61,55,000	4,29,68,000
Civil Works	,,	13,21,263	10,18,000	11,02,000	9,98,000
Miscellaneous	,,	45,89,671	43,21,000	42,57,000	39,27,000
Military Receipts	,,	4,03,11,659	4,01,17,000	3,85,89,000	4,29,79,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments	,,	9,25,20,938	6,22,14,000	6,24,26,000	5,45,12,000
Extraordinary Items	,,	2,54,52,356	26,23,000	59,47,000	16,00,000
TOTAL REVENUE		1,26,03,92,244	1,30,67,97,000	1,31,25,25,000	1,30,42,96,000
DEFICIT		...	...	...	...
TOTAL		1,26,03,92,244	1,30,67,97,000	1,31,25,25,000	1,30,42,96,000

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT;
The 1st March 1926.

Revenue of the Central Government, in India and in England.

	For details, *vide* Statement.	Accounts, 1924-25.	Budget Estimate, 1925-26.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
		Rs.	Rs.	Rs	Rs.
Expenditure—					
Direct Demands on the Revenues	B	5,27,02,291	5,28,91,000	5,53,65,000	5,00,14,000
Salt and other Capital outlay charged to Revenue	,,	17,31,744	32,93,000	10,44,000	10,20,000
Railways : Interest and Miscellaneous Charges (as per Railway Budget)	,,	30,41,57,015	28,65,58,000	28,44,93,000	29,43,45,000
Irrigation	,,	22,36,290	17,79,000	20,38,000	17,34,000
Posts and Telegraphs	,,	30,87,854	—26,17,000	—1,04,53,000	86,01,000
Debt Services	,,	18,08,22,557	18,18,06,000	18,54,30,000	17,51,76,000
Civil Administration	,,	10,12,59,043	10,97,98,000	11,25,27,000	11,45,30,000
Currency and Mint	,,	71,41,079	73,47,000	71,94,000	78,24,000
Civil Works	,,	1,77,72,875	1,68,47,000	1,72,43,000	1,80,11,000
Miscellaneous	,,	4,35,31,861	4,01,91,000	4,51,68,000	3,96,31,000
Military Services	,,	59,66,51,677	60,26,17,000	60,13,59,000	59,17,79,000
Miscellaneous adjustments between the Central and Provincial Governments	,,	50,74,125	15,74,000	14,32,000	6,00,000
Extraordinary Items	,,	1,01,635	25,00,000	25,77,000	5,00,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,32,35,66,546	1,30,43,64,000	1,30,54,67,000	1,30,37,65,000
SURPLUS		5,68,25,698	24,13,000	80,38,000	5,31,000
TOTAL		1,38,03,92,244	1,30,67,97,000	1,31,35,25,000	1,30,42,96,000

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts.			
		Accounts, 1924-25.	Budget Estimate, 1925-26.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
		Rs.	Rs.	Rs.	Rs.
Surplus	C	5,68,25,698	24,13,000	80,38,000	5,31,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards outlay on State Railways (as per Railway Budget)		14,04,878	—4,84,63,000	97,49,000	2,95,19,000
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	C	11,74,76,934	8,95,14,000	...	...
Unfunded Debt (net incurred)	,,	8,96,12,039	9,80,21,000	12,15,77,000	9,58,16,000
Deposits and Advances (net)	,,	2,32,83,871	8,81,41,000	7,19,98,000	8,25,02,000
Railway Depreciation and Reserve Funds as per Railway Budget (net)	,,	...	4,51,94,000	6,63,41,000	5,25,06,000
Remittances (net)	,,	1,13,35,974	...	17,000	...
Balances of Provincial Governments (net)	,,	2,64,95,115	31,32,000	1,95,93,000	29,000
TOTAL DEBT, DEPOSITS AND ADVANCES	...	26,82,03,933	32,40,52,000	27,95,26,000	23,08,53,000
TOTAL RECEIPTS	...	32,64,34,509	27,80,02,000	29,73,13,000	26,09,03,000
Opening Balance—India	...	31,13,62,292	24,26,92,292	31,73,60,743	15,17,32,743
England	...	10,38,42,476	11,86,63,476	13,51,68,257	18,09,33,257
TOTAL	...	74,16,39,277	63,93,57,768	74,98,42,000	59,35,69,000

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT,
The 1st March 1926.;

Central Government, in India and in England.

	For details, *vide* Statement.	Disbursements. Accounts, 1924-25.	Budget Estimate, 1925-26.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
		Rs.	Rs.	Rs.	Rs.
Deficit	C	...	...	...	...
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—					
Construction of State Railways (as per Railway Budget)		13,45,98,366	23,00,00,000	19,50,00,000	26,00,00,000
Discharge of Debentures (as per Railway Budget)		63,31,216	...	1,06,59,000	3,61,85,000
Redemption of liabilities involved in the purchase of Railways (as per Railway Budget)		...	3,43,33,000	3,41,55,000	...
Construction of Irrigation Works		95,598	27,000	—1,15,000	—55,000
Capital outlay on Posts and Telegraphs		1,17,55,881	2,13,53,000	2,28,92,000	59,32,000
Capital outlay on Vizagapatam Harbour		...	...	66,20,000	43,70,000
Payment of commuted value of pensions		...	...	...	35,00,000
Initial expenditure on new Capital at Delhi		1,42,18,868	1,55,00,000	1,35,00,000	1,00,50,000
Capital outlay on Security Printing		...	...	16,84,000	1,72,000
Total Capital Account Disbursements		16,70,00,219	30,12,13,000	28,43,94,000	32,06,54,000
Debt, Deposits and Advances—					
Permanent Debt (net discharged)	C	...	...	3,97,60,000	89,17,000
Floating Debt (net discharged)	"	2,11,80,000	...	40,000	...
Loans and Advances by Central Government (net Advances)	"	1,22,69,059	14,79,30,000	9,29,82,000	8,06,22,000
Loans between Central and Provincial Governments (net Advances)	"	8,86,60,999	...	...	...
Remittances (net)	"	...	9,65,000	...	5,43,000
Total Debt, Deposits and Advances	...	12,21,10,058	14,88,95,000	13,27,82,000	9,00,88,000
Total Disbursements	...	28,91,10,277	45,01,08,000	41,71,76,000	41,07,42,000
Closing Balance—India	...	31,73,60,743	13,13,48,292	15,17,32,743	12,83,14,743
England	...	13,51,68,257	5,79,01,476	18,09,33,257	5,45,12,257
TOTAL	...	74,16,39,277	63,93,57,768	74,98,42,000	59,35,69,000

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

A.—Statement of the Revenue of the Central

Heads of Revenue.	Accounts, 1924-25.				Revised Estimate.		Item No.
	India.	*England.	Exchange.	Total.	India.	*England.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Principal Heads of Revenue—							
I.—Customs	45,75,31,516	...	...	45,75,31,516	46,84,57,000	...	1
II.—Taxes on Income	16,03,09,947	—1,20,587	—41,107	16,01,48,253	16,30,00,000	—4,00,000	2
III.—Salt	7,39,04,860	...	...	7,39,04,860	6,40,00,000	...	3
IV.—Opium	3,79,76,177	...	...	3,79,76,177	4,39,00,000	...	4
V.—Land Revenue	37,80,748	...	...	37,80,748	39,17,000	...	5
VI.—Excise	41,99,239	...	...	41,99,239	47,48,000	...	6
VII.—Stamps—							
A.—Non-Judicial	8,79,903	...	...	8,79,903	8,42,000	...	7
B.—Judicial	18,09,786	...	...	18,09,786	19,05,000	...	8
VIII.—Forest	16,14,698	...	...	16,14,698	19,52,000	...	9
IX.—Registration	1,64,392	...	...	1,64,392	1,65,000	...	10
X.—Tributes from Indian States	82,44,384	...	...	82,44,384	83,76,000	...	11
Total	75,04,15,650	—1,20,587	—41,107	75,02,53,956	76,12,62,000	—4,00,000	12
Irrigation, etc.—							
XIII.—Works for which Capital accounts are kept—Gross Receipts	18,03,232	...	...	18,03,232	19,35,000	...	13
Deduct—Working Expenses	*7,15,961*	...	...	*7,15,961*	*8,42,000*	...	14
Net Receipts	10,87,271	...	...	10,87,271	10,93,000	...	15
XIV.—Works for which no Capital accounts are kept	4,654	...	...	4,654	7,000	...	16
Total	10,91,925	...	...	10,91,925	11,00,000	...	17
Posts and Telegraphs—							
XV.—Posts and Telegraphs—Indian Postal and Telegraph Department—Gross Receipts	9,97,28,486	...	...	9,97,28,486	10,23,47,000	...	18
Deduct—Working Expenses	*8,82,00,884*	*10,92,949*	*4,09,045*	*8,97,02,878*	*9,47,53,000*	*6,88,000*	19
Net Receipts	1,15,27,602	—10,92,949	—4,09,045	1,00,25,610	75,94,000	—6,88,000	20
Indo-European Telegraph Department—Gross Receipts	29,37,518	8,27,388	3,06,350	40,71,256	23,75,000	10,40,000	21
Deduct—Working Expenses	*28,77,185*	*68,952*	*25,642*	*29,71,779*	*34,28,000*	*1,28,000*	23
Net Receipts	60,333	7,58,436	2,80,708	10,99,477	—10,53,000	9,12,000	23
Total	1,15,87,937	—3,34,513	—1,28,337	1,11,25,087	65,41,000	2,24,000	24
Debt Services—							
XVI.—Interest	93,24,148	1,82,97,944	65,76,173	3,41,00,265	87,33,000	2,38,13,000	25
Carried over	77,23,19,660	1,78,42,844	64,08,729	79,65,71,233	77,76,36,000	2,36,37,000	26

*Sterling converted into Rupees at £1=Rs. 10.

Government, in India and in England.

Item No.	1925-26. Exchange.	1925-26. Total.	Increase (+) Decrease (—) as compared with Budget, 1925-26.	Budget Estimate, 1926-27. India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1925-26.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	...	46,84,57,000	+40,57,000	46,40,00,000	...	...	46,40,00,000	−44,57,000
2	−1,31,000	16,24,69,000	−1,10,18,000	16,20,00,000	−4,00,000	−1,33,000	16,14,67,000	−10,02,000
3	...	6,40,00,000	−55,00,000	6,90,00,000	...	...	6,90,00,000	+50,00,000
4	...	4,39,00,000	+83,15,000	3,80,00,000	...	...	3,80,00,000	−59,00,000
5	...	39,17,000	+73,000	39,03,000	...	...	39,03,000	−14,000
6	...	47,48,000	+3,25,000	46,60,000	...	...	46,60,000	−88,000
7	...	8,42,000	−10,000	8,44,000	...	...	8,44,000	+2,000
8	...	19,05,000	+49,000	19,03,000	...	...	19,03,000	−2,000
9	...	19,82,000	−6,93,000	26,75,000	...	...	26,75,000	+7,23,000
10	...	1,65,000	+2,000	1,64,000	...	...	1,64,000	−1,000
11	...	83,76,000	−1,43,000	83,94,000	...	...	83,94,000	+19,000
12	−1,31,000	76,07,31,000	−36,55,000	75,55,43,000	−4,00,000	−1,33,000	75,50,10,000	−57,21,000
13	...	19,35,000	−1,22,000	20,18,000	...	...	20,18,000	+83,000
14	...	8,42,000	+1,80,000	12,02,000	...	...	12,02,000	−3,60,000
15	...	10,93,000	+58,000	8,16,000	...	...	8,16,000	−2,77,000
16	...	7,000	..	5,000	...	...	5,000	−2,000
17	...	11,00,000	+58,000	8,21,000	...	...	8,21,000	−2,79,000
18	...	10,23,47,000	−17,85,000	10,64,65,000	...	...	10,64,65,000	+41,18,000
19	2,25,000	2,56,66,000	+19,26,000	10,09,95,000	5,66,000	1,89,000	10,17,50,000	−60,84,000
20	−2,25,000	66,81,000	+1,41,000	54,70,000	−5,66,000	−1,89,000	47,15,000	−19,66,000
21	3,40,000	37,55,000	−2,75,000	23,64,000	7,80,000	2,60,000	34,04,000	−3,51,000
22	42,000	35,98,000	+1,61,000	34,09,000	1,18,000	40,000	35,67,000	+31,000
23	2,98,000	1,57,000	−1,14,000	−10,45,000	6,62,000	2,20,000	−1,63,000	−3,20,000
24	73,000	68,38,000	+27,000	44,25,000	96,000	31,000	45,52,000	−22,86,000
25	77,73,000	4,03,19,000	+42,75,000	73,41,000	2,04,53,000	68,17,000	3,47,11,000	−56,08,000
26	77,15,000	80,89,88,000	+7,05,000	76,32,30,000	2,01,49,000	67,15,000	79,50,94,000	−1,38,94,000

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	Accounts, 1924-25.				Revised Estimate,		Item No.
	India.	England.	Exchange.	Total.	India.	England.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	77,23,19,060	1,78,42,644	64,08,729	79,65,71,233	77,76,36,000	2,36,37,000	
Civil Administration—							
XVII.—Administration of Justice	4,16,658	...	...	4,16,658	3,33,000	...	1
XVIII.—Jails and Convict Settlements	6,93,123	...	...	6,93,123	6,53,000	...	2
XIX.—Police	75,826	...	...	75,826	74,000	...	3
XX.—Ports and Pilotage	24,46,437	...	...	24,46,437	24,65,000	...	4
XXI.—Education	1,60,826	...	...	1,60,826	1,36,000	...	5
XXII.—Medical	2,11,351	...	...	2,11,351	1,63,000	...	6
XXIII.—Public Health	1,52,936	...	...	1,52,936	1,45,000	...	7
XXIV.—Agriculture	10,98,121	...	...	10,98,121	19,22,000	...	8
XXV.—Industries	2,604	...	...	2,604	...	...	9
XXVI.—Miscellaneous Departments	21,39,651	...	...	21,39,651	24,22,000	...	10
XXVIA.—Receipts of the Indian Stores Department	...	...	...	...	...	...	11
Total	73,97,533	...	...	73,97,533	83,10,000	...	12
Currency and Mint—							
XXVII.—Currency	2,86,55,827	51,95,660	19,03,885	3,57,55,372	3,05,88,000	93,00,000	13
XXVIII.—Mint	41,77,483	29	10	41,77,522	32,30,000	1,000	14
Total	3,28,33,310	51,95,689	19,03,895	3,99,32,894	3,38,18,000	93,01,000	15
Civil Works—							
XXX.—Civil Works	13,21,263	...	...	13,21,263	11,62,000	...	16
Miscellaneous—							
XXXIII.—Receipts in aid of Superannuation	17,19,642	3,72,624	1,39,431	22,31,697	19,79,000	3,54,000	17
XXXIV.—Stationery and Printing	11,88,508	8,573	3,364	12,00,445	9,37,000	6,000	18
XXXV.—Miscellaneous	7,04,375	3,35,676	1,17,578	11,57,529	3,63,000	3,77,000	19
Total	36,12,425	7,16,873	2,60,373	45,89,671	32,79,000	7,37,000	20
Military Receipts—							
XXXVI.—Army—							
Effective	2,78,35,502	36,41,412	13,50,179	3,28,27,093	2,33,67,000	26,27,000	21
Non-effective	15,95,025	10,91,490	4,04,060	30,90,575	11,46,000	6,40,000	22
	2,94,30,527	47,32,902	17,54,239	3,59,17,668	2,45,13,000	32,67,000	23
XXXVII.—Marine	11,12,931	...	...	11,12,931	12,82,000	...	24
XXXVIII.—Military Engineer Service	32,81,060	...	...	32,81,060	34,61,000	...	25
Total	3,38,24,518	47,32,902	17,54,239	4,03,11,659	3,42,56,000	32,67,000	26
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—							
XXXIX.—Contributions to the Central Government by Provincial Governments	9,20,12,000	...	...	9,20,12,000	6,20,12,000	...	27
XXXIXA.—Miscellaneous adjustments between the Central and Provincial Governments	5,08,938	...	...	5,08,938	4,14,000	...	28
Total	9,25,20,938	...	...	9,25,20,938	6,24,26,000	...	29
Extraordinary items—							
XL.—Extraordinary Receipts	59,914	1,89,55,784	64,06,658	2,54,52,356	28,000	44,62,000	30
Railway Revenues as per Railway Budget	36,90,79,687	23,48,522	8,66,488	37,22,94,697	33,56,91,000	15,08,000	31
TOTAL REVENUE	1,31,29,99,248	4,97,92,614	1,76,00,382	1,38,03,92,244	1,25,66,06,000	4,29,12,000	32

* Sterling converted into Rupees at £1=Rs. 10.

Government, in India and in England—*contd.*

Item No.	1925-26. Exchange.	1925-26. Total.	Increase (+) Decrease (−) as compared with Budget, 1925-26.	Budget Estimate, 1926-27. India.	England.	Exchange.	Total.	Increase (+) Decrease (−) as compared with Revised, 1925-26.
	Rs. 77,15,000	Rs. 80,89,88,000	Rs. +7,05,000	Rs. 76,82,30,000	Rs. 2,01,49,000	Rs. 67,15,000	Rs. 79,50,94,000	Rs. −1,38,94,000
1	...	3,33,000	−1,08,000	3,33,000	...	...	3,33,000	...
2	...	6,53,000	+64,000	4,01,000	...	...	4,01,000	−2,52,000
3	...	71,000	−17,000	71,000	...	...	71,000	...
4	...	24,65,000	+41,000	24,90,000	...	...	24,90,000	+25,000
5	...	1,36,000	+5,000	1,92,000	...	...	1,92,000	+56,000
6	...	1,63,000	+42,000	1,28,000	...	...	1,28,000	−35,000
7	...	1,45,000	−35,000	1,46,000	...	...	1,46,000	+1,000
8	...	19,22,000	+9,70,000	15,98,000	...	...	15,98,000	−3,24,000
9	...	...	...	...	...	...	...	...
10	...	24,22,000	+85,000	12,27,000	...	...	12,27,000	−11,95,000
11	...	...	...	12,00,000	...	...	12,00,000	+12,00,000
12	...	83,10,000	+10,50,000	77,86,000	...	...	77,86,000	−5,24,000
13	30,36,000	4,29,24,000	+46,49,000	2,01,12,000	85,00,000	28,34,000	4,04,46,000	−24,78,000
14	...	32,31,000	+6,00,000	25,21,000	1,000	...	25,22,000	−7,09,000
15	30,36,000	4,61,55,000	+53,46,000	3,16,33,000	85,01,000	28,34,000	4,29,68,000	−31,87,000
16	...	11,62,000	+1,44,000	9,98,000	...	...	9,98,000	−1,64,000
17	1,16,000	24,49,000	+4,87,000	17,64,000	3,17,000	1,05,000	21,26,000	−3,23,000
18	2,000	9,45,000	−1,00,000	9,96,000	6,000	2,000	10,04,000	+59,000
19	1,23,000	8,63,000	−3,61,000	6,70,000	95,000	32,000	7,97,000	−66,000
20	2,41,000	42,57,000	−64,000	33,70,000	4,18,000	1,39,000	39,27,000	−3,30,000
21	8,57,000	2,68,51,000	−9,33,000	2,36,74,000	27,99,000	9,33,000	2,74,06,000	+5,55,000
22	2,09,000	19,95,000	−3,89,000	10,39,000	11,03,000	3,68,000	25,10,000	+5,15,000
23	10,66,000	2,88,46,000	−13,22,000	2,47,13,000	39,02,000	13,01,000	2,99,16,000	+10,70,000
24	...	12,82,000	+3,49,000	17,87,000	...	...	17,87,000	+5,05,000
25	...	84,61,000	−5,55,000	1,12,76,000	...	...	1,12,76,000	+28,15,000
26	10,66,000	3,85,89,000	−15,26,000	3,77,76,000	39,02,000	13,01,000	4,29,79,000	+43,90,000
27	...	6,20,12,000	...	5,45,12,000	...	...	5,45,12,000	−75,00,000
28	...	4,14,000	+2,12,000	...	...	...	...	−4,14,000
29	...	6,24,26,000	+2,12,000	5,45,12,000	...	...	5,45,12,000	−79,14,000
30	14,57,000	59,47,000	+21,14,000	...	12,00,000	4,00,000	16,00,000	−43,47,000
31	4,92,000	33,76,91,000	−12,53,000	35,32,88,000	8,58,000	2,86,000	35,44,32,000	+1,67,41,000
32	1,49,07,000	1,31,35,25,000	+67,28,000	1,25,75,93,000	3,50,28,000	1,16,75,000	1,30,42,96,000	−92,29,000

B.—Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE.	Accounts, 1924-25. India.	England.	Exchange.	Total.	Revised India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenues						
1.—Customs	75,13,177	1,45,135	53,978	77,12,290	81,06,000	1
3.—Taxes on income	59,28,710	78,793	30,028	60,37,531	59,81,000	2
3.—Salt	1,19,33,072	63,132	24,516	1,20,20,720	1,31,10,000	3
4.—Opium	2,34,99,919	41,816	15,392	2,35,57,127	2,13,68,000	4
5.—Land Revenue	11,16,165	3,364	1,363	11,20,895	12,67,000	5
6.—Excise	2,26,072	1,665	559	2,28,296	11,19,000	6
7.—Stamps—						
A.—Non-judicial	—5,63,046	3,27,015	1,16,244	—1,19,787	—5,000	7
B.—Judicial						
8.—Forest	28,16,965	2,18,835	80,366	31,16,166	28,14,000	8
9.—Registration	29,053	...	...	29,053	31,000	9
Total	5,25,00,090	8,79,755	3,22,446	5,37,02,291	5,37,91,000	10
Salt and other Capital outlay charged to Revenue—						
3A.—Capital outlay on Salt Works	7,19,588	...	...	7,19,588	10,44,000	11
7A.—Capital outlay on Security Printing Press	9,48,124	47,857	16,175	10,12,156	...	12
Total	16,67,712	47,857	16,175	17,31,744	10,44,000	13
Irrigation, etc., Revenue Account—						
14.—Works for which Capital accounts are kept—						
Interest on Debt	11,98,270	...	...	11,98,270	12,05,000	14
15.—Other Revenue Expenditure	8,75,777	49,827	19,877	9,45,481	6,19,000	15
Total	20,74,047	49,827	19,877	21,43,751	18,24,000	16
Irrigation, etc., Capital Account (charged to Revenue)—						
16.—Construction of Irrigation, etc., Works—						
Financed from Ordinary Revenues	92,559	...	...	92,559	1,44,000	17
Posts and Telegraphs Revenue Account—						
17.—Posts and Telegraphs—						
Interest on Debt—						
Indian Postal and Telegraph Department	68,60,034	...	...	68,60,034	49,00,000	18
Indo-European Telegraph Department	...	...	...	...	4,26,000	19
Total	68,60,034	...	...	68,60,034	53,26,000	20
Posts and Telegraphs Capital Account (charged to Revenue)—						
18.—Capital outlay on Posts and Telegraphs—						
Indian Postal and Telegraph Department	—56,99,374	10,44,712	3,83,345	—42,71,317	—1,48,66,000	21
Indo-European Telegraph Department	—4,93,843	7,35,294	2,57,686	4,99,137	—11,50,000	22
Total	—61,93,217	17,80,006	6,41,031	—37,72,180	—1,60,16,000	23
Debt Services—						
19.—Interest on Ordinary Debt	20,30,19,869	12,55,80,303	4,70,22,579	37,56,02,751	20,66,80,000	24
Deduct—Amount chargeable to—						
Railways	*13,26,88,157*	*6,51,46,473*	*2,44,63,946*	*21,22,98,576*	*13,32,44,000*	25
Irrigation	*11,98,270*	...	...	*11,98,270*	*12,05,000*	26
Posts and Telegraphs	*68,60,034*	..	...	*68,60,034*	*53,26,000*	27
Other Commercial Departments	*3,01,437*	...	...	*3,01,437*	*6,50,000*	28
Provincial Governments	*4,21,54,712*		...	*4,21,54,712*	...	29
Provincial Loans Fund	...	...	...	...	*5,11,76,000*	30
Remainder chargeable to Ordinary Debt	2,98,17,259	6,04,13,830	2,25,58,633	11,27,89,722	1,50,79,000	31
20.—Interest on other Obligations	3,60,87,420	79,575	26,700	3,61,93,695	4,35,44,000	32
21.—Reduction or Avoidance of Debt	96,05,150	2,06,68,899	75,65,391	3,78,39,440	4,97,36,000	33
Total	7,55,69,829	8,11,62,304	3,01,50,724	18,68,32,857	10,83,59,000	34
Carried over	13,26,11,034	8,39,19,749	3,11,50,253	24,75,81,036	15,44,72,000	35

* Sterling converted into Rupees at £1=Rs. 10.

of the Central Government, in India and in England.

Item No.	Estimate, 1925-26. * England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1925-26.	Budget Estimate, 1926-27. India.	* England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1925-26.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	1,31,000	43,000	82,80,000	—1,49,000	83,55,000	1,45,000	48,000	85,48,000	+2,68,000
2	91,000	30,000	61,02,000	—5,54,000	66,59,000	85,000	29,000	67,73,000	+6,71,000
3	30,000	10,000	1,31,50,000	—4,87,000	1,32,76,000	54,000	18,000	1,33,48,000	+1,98,000
4	92,000	30,000	2,14,90,000	+34,61,000	1,53,69,000	54,000	18,000	1,54,41,000	—60,49,000
5	4,000	1,000	12,72,000	—1,66,000	13,43,000	13,000	4,000	13,60,000	+88,000
6	4,000	1,000	11,24,000	+6,85,000	10,42,000	4,000	1,000	10,47,000	—77,000
7	6,26,000	2,04,000	8,25,000	+17,000	—10,02,000	7,23,000	2,41,000	—38,000	—8,63,000
8	2,24,000	73,000	31,11,000	—3,07,000	32,19,000	2,12,000	71,000	35,02,000	+3,91,000
9	...	...	31,000	—6,000	33,000	...	...	33,000	+2,000
10	12,02,000	3,92,000	6,53,85,000	+24,94,000	4,82,94,000	12,90,000	4,30,000	5,00,14,000	—53,71,000
11	...	...	10,44,000	—4,49,000	10,20,000	...	...	10,20,000	—24,000
12	...	...	...	—18,00,000	...	...	...	...	...
13	...	...	10,44,000	—22,49,000	10,20,000	...	...	10,20,000	—24,000
14	...	...	12,05,000	—45,000	12,05,000	..	...	12,05,000	...
15	53,000	17,000	6,89,000	+3,50,000	3,86,000	64,000	21,000	4,71,000	—2,18,000
16	53,000	17,000	18,94,000	+3,05,000	15,91,000	64,000	21,000	16,76,000	—2,18,000
17	...	...	1,44,000	—46,000	58,000	...	...	58,000	—86,000
18	...	...	49,00,000	—17,00,000	57,00,000	...	...	57,00,000	+8,00,000
19	...	...	4,26,000	+60,000	5,10,000	...	...	5,10,000	+84,000
20	...	...	53,26,000	—16,40,000	62,10,000	...	...	62,10,000	+8,84,000
21	...	...	—1,48,66,000	—53,25,000	20,02,000	..	...	20,02,000	+1,68,63,000
22	1,79,000	58,000	—9,13,000	—6,71,000	3,85,000	3,000	1,000	3,89,000	+13,02,000
23	1,79,000	58,000	—1,57,79,000	—59,96,000	23,87,000	3,000	1,000	23,91,000	+1,81,70,000
24	13,07,04,000	4,26,65,000	38,00,49,000	—1,99,000	20,55,45,000	13,04,04,000	4,34,68,000	37,94,17,000	—6,32,000
25	*7,26,97,000*	*2,37,30,000*	*22,96,71,000*	+39,95,000	*14,47,30,000*	*7,43,18,000*	*2,47,73,000*	*24,38,21,000*	—1,41,50,000
26	...	...	*12,05,000*	+45,000	*12,05,000*	...	...	*12,05,000*	...
27	...	...	*53,26,000*	+16,40,000	*69,10,000*	...	...	*69,10,000*	—8,84,000
28	...	...	*6,50,000*	—3,12,000	*11,11,000*	...	...	*11,11,000*	—4,61,000
29	...	...	...	...	...	...	...	...	...
30	...	...	*5,11,76,000*	—16,42,000	*5,29,82,000*	...	...	*5,29,82,000*	—18,06,000
31	5,80,07,000	1,89,35,000	9,20,21,000	+35,27,000	—6,93,000	5,60,86,000	1,86,95,000	7,40,88,000	—1,79,33,000
32	97,000	32,000	4,36,73,000	+5,11,000	5,10,78,000	1,10,000	37,000	5,12,25,000	+75,52,000
33	...	...	4,97,36,000	—4,14,000	4,98,63,000	...	...	4,98,63,000	+1,27,000
34	5,81,04,000	1,89,67,000	18,54,30,000	+36,24,000	10,02,48,000	5,61,96,000	1,87,32,000	17,51,76,000	—1,02,54,000
35	5,95,38,000	1,94,34,000	23,34,44,000	—35,08,000	15,98,08,000	5,75,53,000	1,91,84,000	23,65,45,000	+31,01,000

B.—Statement of the Expenditure charged to the Revenues.

HEADS OF EXPENDITURE.	Accounts, 1924-25. India.	England.	Exchange.	Total.	Revised India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	13,25,11,034	8,39,19,749	3,11,50,253	24,75,81,036	15,44,72,000	
Civil Administration—						
22.—General Administration—						
A.—Heads of Provinces (including Governor General) and Executive Councils					21,79,000	1
B.—Legislative Bodies					6,70,000	2
C.—Secretariat and Headquarters establishment	1,15,10,085	...	...	1,15,10,085	71,45,000	3
D.—Commissioners					...	4
E.—District Administration					17,59,000	5
F.—Home Administration, etc.	...	28,17,946	10,37,447	38,55,393	...	6
23.—Audit	75,11,088	2,09,159	75,327	77,95,574	80,15,000	7
24.—Administration of Justice	11,06,450	36,598	12,876	11,55,924	11,75,000	8
25.—Jails and Convict Settlements	35,97,517	34,866	12,940	36,45,323	35,14,000	9
26.—Police	91,76,215	1,26,546	47,142	93,49,903	92,51,000	10
27.—Ports and Pilotage	23,28,428	1,11,414	41,647	24,81,489	28,59,000	11
28.—Ecclesiastical	25,12,977	4,52,494	1,64,059	31,29,530	22,68,000	12
29.—Political	3,14,30,749	1,25,076	68,618	3,16,23,843	3,16,66,000	13
30.—Scientific Departments	68,01,067	5,95,432	2,13,177	76,09,676	1,23,46,000	14
31.—Education	30,88,528	58,563	22,155	31,69,546	31,19,000	15
32.—Medical	24,59,730	1,05,699	41,842	26,07,271	26,51,000	16
33.—Public Health	16,04,521	51,811	17,953	17,34,285	12,45,000	17
34.—Agriculture	28,77,923	1,20,386	44,713	30,43,022	25,93,000	18
35.—Industries	60,01,467	27,472	10,220	61,29,159	86,03,000	19
36.—Aviation	18,498	2,731	922	22,151	29,000	20
37.—Miscellaneous Departments	19,26,799	3,40,984	1,29,486	23,96,269	23,68,000	21
37-A.—Indian Stores Department	...	...	...	...	...	22
Total	9,41,01,942	52,17,177	19,39,924	10,12,59,043	10,34,55,000	23
Currency and Mint—						
38.—Currency	27,25,211	24,89,180	8,34,315	57,48,706	29,42,000	24
39.—Mint	13,58,339	24,525	9,509	13,92,373	15,88,000	25
Total	40,83,550	23,13,705	8,43,824	71,41,079	45,30,000	26
Civil Works—						
41.—Civil Works	1,76,57,819	84,222	30,634	1,77,72,675	1,70,31,000	27
Miscellaneous—						
43.—Famine Relief and Insurance—						
A.—Famine Relief	...	...	...	...	44,000	28
44.—Territorial and Political Pensions	29,71,302	1,22,888	45,335	31,39,525	29,06,000	29
45.—Superannuation Allowances and Pensions	21,89,092	1,92,47,083	71,66,671	2,86,03,746	36,15,000	30
46.—Stationery and Printing	25,34,885	7,33,517	2,65,698	35,34,100	28,83,000	31
47.—Miscellaneous	50,64,379	23,44,417	8,45,694	82,54,490	58,12,000	32
Total	1,27,60,558	2,24,47,905	83,23,398	4,35,31,861	1,54,62,000	33
Military Services—						
48.—Army—						
Effective	37,48,42,704	6,13,81,504	2,24,93,532	45,87,17,830	38,53,53,000	34
Non-effective	3,73,52,575	3,68,58,484	1,37,27,191	8,79,38,250	3,74,05,000	35
	41,21,95,369	9,82,39,988	3,62,20,723	54,66,56,080	42,27,58,000	36
49.—Marine	44,09,872	21,92,396	8,08,449	74,10,717	46,95,000	37
50.—Military Engineer Services	4,18,59,921	5,30,287	1,94,872	4,25,85,080	4,16,10,000	38
Total	45,84,65,162	10,09,62,671	3,72,24,044	59,66,51,877	46,89,53,000	39
Contributions and miscellaneous adjustments between Central and Provincial Governments—						
51-A.—Miscellaneous adjustments between the Central and Provincial Governments.	50,74,125	...	...	50,74,125	14,32,000	40
Extraordinary Items—						
52.—Extraordinary Payments	1,01,035	...	...	1,01,035	25,77,000	41
Railway Expenditure as per Railway Budget	18,60,51,342	8,60,89,131	2,83,12,542	30,44,53,015	16,87,28,000	42
Total Expenditure charged to Revenue	91,08,07,167	30,09,34,560	11,18,24,819	1,32,35,66,546	93,66,40,000	43

* Sterling converted into Rupees at £1=Rs. 10.

of the Central Government, in India and in England.

Item No.	Estimate, 1925-26. England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Budget, 1925-26.	Budget Estimate, 1926-27. India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1925-26.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	5,95,38,000	1,94,34,000	23,34,44,000	—35,08,000	15,98,08,000	5,75,53,000	1,91,84,000	23,65,45,000	+31,01,000
1	...	...	21,79,000	—25,000	21,29,000	...	...	21,29,000	—50,000
2	...	...	6,70,000	—51,000	6,73,000	...	...	6,73,000	+3,000
3	...	...	71,45,000	—3,73,000	87,43,000	...	...	87,43,000	+15,98,000
4	...	...	...	...	...	...	...	...	...
5	...	...	17,59,000	—19,000	18,46,000	...	...	18,46,000	+87,000
6	28,06,000	9,16,000	37,22,000	—6,59,000	...	30,66,000	10,22,000	40,88,000	+3,66,000
7	2,67,000	94,000	83,96,000	—4,65,000	81,07,000	3,14,000	1,05,000	85,26,000	+1,30,000
8	97,000	32,000	13,04,000	+14,000	14,40,000	88,000	30,000	15,58,000	+2,54,000
9	49,000	16,000	35,79,000	—3,52,000	36,61,000	52,000	17,000	37,30,000	+1,51,000
10	2,38,000	78,000	95,67,000	—1,10,000	94,44,000	2,00,000	67,000	97,11,000	+1,44,000
11	3,39,000	1,11,000	33,09,000	+1,31,000	32,83,000	3,41,000	1,14,000	37,38,000	+4,29,000
12	7,25,000	2,37,000	32,30,000	—5,17,000	27,03,000	7,05,000	2,35,000	36,43,000	+4,13,000
13	9,67,000	3,15,000	3,29,48,000	—9,84,000	3,20,67,000	9,10,000	3,03,000	3,32,80,000	+3,32,000
14	6,76,000	2,20,000	1,32,42,000	+50,93,000	77,19,000	7,63,000	2,54,000	87,36,000	—45,06,000
15	68,000	22,000	32,09,000	—79,000	37,75,000	77,000	26,000	38,78,000	+6,69,000
16	1,91,000	62,000	29,04,000	—3,98,000	27,09,000	2,76,000	93,000	30,77,000	+1,73,000
17	57,000	19,000	13,21,000	+9,000	18,50,000	58,000	19,000	19,27,000	+6,06,000
18	1,16,000	38,000	27,47,000	—64,000	27,81,000	1,14,000	38,000	29,33,000	+1,86,000
19	26,000	9,000	86,40,000	+16,16,000	89,74,000	72,000	24,000	90,70,000	+4,30,000
20	3,000	1,000	33,000	—1,000	3,50,000	3,000	1,000	3,54,000	+3,21,000
21	1,92,000	63,000	26,23,000	—37,000	9,15,000	} 2,11,000	70,000	28,90,000	+2,67,000
22	...	...	...	...	16,94,000				
23	68,39,000	22,33,000	11,25,27,000	+27,29,000	10,48,63,000	72,50,000	24,17,000	11,45,30,000	+20,03,000
24	19,47,000	6,36,000	55,35,000	—1,08,000	30,65,000	22,78,000	7,59,000	61,02,000	+5,77,000
25	61,000	20,000	16,69,000	—45,000	16,59,000	47,000	16,000	17,22,000	+53,000
26	20,08,000	6,56,000	71,94,000	—1,53,000	47,24,000	23,25,000	7,75,000	78,24,000	+6,30,000
27	1,60,000	52,000	1,72,43,000	+3,96,000	1,78,83,000	96,000	32,000	1,80,11,000	+7,68,000
28	...	...	44,000	+44,000	60,000	...	...	60,000	+16,000
29	1,06,000	35,000	30,40,000	—51,000	28,54,000	1,11,000	37,000	30,32,000	—17,000
30	1,94,72,000	63,56,000	2,96,43,000	+25,00,000	12,13,000	1,85,81,000	61,93,000	2,59,87,000	—36,56,000
31	11,59,000	3,78,000	44,20,000	+13,97,000	24,45,000	7,88,000	2,63,000	34,96,000	—9,24,000
32	16,74,000	5,46,000	80,32,000	+11,07,000	53,44,000	12,84,000	4,28,000	70,56,000	—9,76,000
33	2,24,11,000	73,15,000	4,51,88,000	+49,97,000	1,19,46,000	2,07,64,000	69,21,000	3,96,31,000	—55,57,000
34	6,60,24,000	2,15,51,000	47,29,06,000	+62,70,000	37,89,45,000	5,82,45,000	1,94,15,000	45,66,05,000	—1,63,03,000
35	3,15,69,000	1,03,05,000	7,92,79,000	—88,04,000	3,67,71,000	3,57,81,000	1,19,27,000	8,44,79,000	+52,00,000
36	9,75,93,000	3,18,56,000	55,21,87,000	—25,34,000	41,57,16,000	9,40,26,000	3,13,42,000	54,10,84,000	—1,11,03,000
37	19,12,000	6,24,000	71,41,000	—11,59,000	49,23,000	22,18,000	7,39,000	78,80,000	+7,39,000
38	3,40,000	1,11,000	4,20,61,000	+24,65,000	4,25,26,000	2,17,000	72,000	4,28,15,000	+7,54,000
39	9,98,45,000	3,25,91,000	60,13,89,000	—12,28,000	46,31,65,000	9,64,61,000	3,21,53,000	59,17,79,000	—96,10,000
40	...	...	14,32,000	—1,42,000	6,00,000	...	...	6,00,000	—8,32,000
41	...	...	25,77,000	+77,000	5,00,000	...	...	5,00,000	—30,77,000
42	8,72,76,000	2,84,89,000	28,44,93,000	—20,65,000	17,67,47,000	8,81,98,000	2,94,00,000	29,43,45,000	+98,52,000
43	27,80,77,000	9,07,70,000	1,30,54,87,000	+11,03,000	94,02,36,000	27,26,47,000	9,08,82,000	1,30,37,65,000	—17,22,000

C.—Statement of Receipts and Disbursements of the

	Accounts, 1924-25.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Revenue (from Statement A)	1,30,79,25,123	4,97,92,614	1,35,77,17,737
Exchange added to Revenue	1,76,00,382	...	1,76,00,382
Total	1,32,55,25,505	4,97,92,614	1,37,53,18,119
Railway Capital not charged to Revenue—			
As per Railway Budget	3,54,878	10,50,000	14,04,878
Public Debt Incurred—			
Permanent Debt—			
Sterling Debt—			
7 per cent. Stock	...	...	
5½ per cent. Stock	...	9,87,226	
4½ per cent. Stock	...	8,67,632	
Rupee Debt—			
New Rupee Loan	...	...	
5 per cent. Bonds, 1933	7,27,86,000	...	
5 per cent. Bonds, 1935	...	...	
5 per cent. Loan, 1945-55	5,93,36,500	...	
3½ per cent. Loans	...	...	
3 per cent. Loan	...	...	
Total	13,21,22,500	18,54,858	13,39,77,358
Floating Debt—			
Treasury Bills—			
Issued to Public	...	...	
Issued to Paper Currency Reserve	49,65,00,000	...	
Total	49,65,00,000	...	49,65,00,000
Carried over	1,95,45,02,883	5,26,97,472	

* Sterling converted into Rupees at £1 = Rs. 10.

Central Government, in India and in England.

Revised Estimate, 1925-26.			Budget Estimate, 1926-27.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,25,66,06,000	4,29,12,000	1,29,95,18,000	1,25,75,93,000	3,50,28,000	1,29,26,21,000
1,40,07,000	...	1,40,07,000	1,16,75,000	...	1,16,75,000
1,27,06,13,000	4,29,12,000	1,31,35,25,000	1,26,92,68,000	3,50,28,000	1,30,42,96,000
23,99,000	73,50,000	97,49,000	73,80,000	2,21,39,000	2,95,19,000
...	94,000		...	1,02,000	
...	10,50,000		...	11,16,000	
...	9,15,000		...	9,66,000	
...	...		22,00,00,000	...	
...	...		...	...	
4,72,66,000	...		...	...	
25,88,51,000	...		...	...	
3,60,000	...		3,00,000	...	
...	...		...	...	
30,64,77,000	20,59,000	30,85,36,000	22,03,00,000	21,84,000	22,24,84,000
...	...		...	...	
49,65,00,000	...		49,65,00,000	...	
49,65,00,000	...	49,65,00,000	49,65,00,000	...	49,65,00,000
2,07,59,89,000	5,23,21,000		1,99,34,48,000	5,93,51,000	

* Sterling converted into Rupees at £1 = Rs. 10.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1924-25.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Brought forward ..	1,95,45,02,883	5,26,97,472	
Unfunded Debt—			
Deposits of Service Funds . . .	11,31,691	2,14,992	
Post Office Cash Certificates . . .	6,09,94,454	...	
Savings Bank Deposits	26,10,86,868	2,29,321	
Total .	32,32,13,013	4,44,313	32,36,57,326
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	13,74,56,075	...	
Other Funds	8,06,89,250	...	
Sinking Funds for Central Loans . .	90,29,233	...	
Other appropriations for Reduction or Avoidance of Debt	7,74,150	...	
Sinking Fund Investment Account . .	35,82,697	...	
Sinking Funds for loans granted to local bodies	3,38,128	...	
Gold Standard Reserve	...	79,99,35,014	...
Paper Currency Reserve . . .	...	70,66,30,534	...
Deposits of Branch Line Companies . .	—13,36,666	...	
Posts and Telegraphs Depreciation Fund .	...	...	
Provincial Loans Fund	...	...	
Departmental and Judicial Deposits ..	79,72,99,705	...	
Advances	17,89,42,516	55,43,430	
Suspense	2,69,49,773	2,22,97,725	
Exchange on Remittance Accounts . .	...	...	
Miscellaneous	1,35,05,285	39,39,472	
Total .	1,24,72,30,146	1,53,83,46,175	2,78,55,76,321
Railway Depreciation and Reserve Funds as per Railway Budget	16,73,07,197	...	16,73,07,197
Carried over .	3,69,22,53,239	1,59,14,87,960	

* Sterling converted into Rupees at £1 = Rs. 10.

Central Government, in India and in England—*contd.*

Revised Estimate, 1925-26.			Budget Estimate, 1926-27.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2,07,59,89,000	5,23,21,000		1,99,34,48,000	5,93,51,000	
11,28,000	2,56,000		11,20,000	2,45,000	
8,00,60,000	...		5,80,00,000	...	
28,30,09,000	3,00,000		28,63,66,000	3,00,000	
36,41,97,000	5,56,000	36,47,53,000	34,54,86,000	5,45,000	34,60,31,000
14,45,34,000	...		14,03,82,000	...	
8,77,66,000	...		8,66,32,000	...	
97,21,000	...		1,40,90,000	...	
4,00,15,000	...		3,62,59,000	...	
...	...		...	...	
3,52,000	...		3,66,000	...	
...	49,58,71,000		...	30,07,11,000	
...	1,05,64,23,000		...	1,19,98,96,000	
9,94,000	...		7,63,000	...	
32,84,000	...		36,84,000	...	
14,94,40,000	...		13,65,12,000	...	
93,96,66,000	...		92,12,16,000	...	
17,00,91,000	25,81,000		16,22,37,000	6,48,000	
9,75,06,000	1,63,37,000		1,66,53,000	1,57,30,000	
...	...		3,27,97,000	...	
19,14,000	33,39,000		50,000	14,01,000	
1,64,52,83,000	1,57,45,51,000	3,21,98,34,000	1,55,16,41,000	1,51,83,86,000	3,07,00,27,000
14,10,21,000	...	14,10,21,000	13,75,06,000	...	13,75,06,000
4,22,64,90,000	1,62,74,28,000		4,02,80,81,000	1,57,82,82,000	

* Sterling converted into Rupees at £1 = Rs. 10.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1924-25.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Brought forward	3,69,22,53,239	1,59,14,87,960	
Loans and Advances by the Central Government—			
Advances to the Provincial Loans Fund	...	...	
Other Loans and Advances	39,68,759	...	
Total	39,68,759	...	39,68,759
Loans between Central and Provincial Governments	1,28,38,501	...	1,28,38,501
Remittances—			
Remittances within India—			
Inland Money Order	87,62,46,429	...	
Other Local Remittances	...	...	
Other Departmental Accounts	34,53,796	...	
Net Receipts by Civil Treasuries from—			
Railways	21,57,43,756	...	
Posts and Telegraphs	3,38,00,849	...	
Net Receipts from Civil Treasuries by—			
Marine	37,94,582	...	
Army and Military Engineer Services	38,65,73,814	...	
Remittance between England and India—			
Remittance Account—			
Iraq drawings	...	1,69,94,385	
Other transactions	1,81,90,136	2,88,43,092	
Remittances from India for financing Home Treasury	...	41,47,01,621	
Transfers through the Paper Currency Reserve	5,99,66,357	...	
Total	1,59,77,69,719	46,05,39,098	2,05,83,08,817
Balances of Provincial Governments	4,94,44,384	...	4,94,44,384
Total Receipts	5,35,62,74,602	2,05,20,27,058 (a)	
Opening Balance	31,13,62,292	10,38,42,476	
GRAND TOTAL	5,66,76,36,894	2,15,58,69,534	

* Sterling converted into Rupees at £1=Rs. 10.

(a) Of this amount, Rs. 9,414 represents the funds of the Gold Standard Reserve.

Delhi,

Finance Department,

The 1st March 1926 ;

Central Government, in India and in England—*contd.*

Revised Estimate, 1925-26.			Budget Estimate, 1926-27.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4,22,64,90,000	1,62,74,28,000		4,02,80,81,000	1,57,82,82,000	
...	...		...	...	
82,65,000	...		99,49,000	...	
82,65,000	...	82,65,000	99,49,000	...	99,49,000
...	...	...	...	...	...
88,50,00,000	...		88,00,00,000	...	
6,82,000	...		5,60,000	...	
3,60,85,000	...		3,58,73,000	...	
26,03,43,000	...		25,01,58,000	...	
5,91,44,000	...		2,82,80,000	...	
40,10,000	...		38,31,000	...	
39,30,82,000	...		38,60,43,000	...	
...	1,90,00,000		...	1,65,00,000	
81,98,000	2,36,80,000		78,49,000	2,27,28,000	
...	50,00,00,000		...	27,00,00,000	
9,00,00,000	...		...	...	
1,73,65,44,000	54,26,80,000	2,27,92,24,000	1,59,25,94,000	30,92,28,000	1,90,18,22,000
4,74,88,000	...	4,74,88,000	3,72,81,000	...	3,72,81,000
6,01,87,87,000	2,17,01,08,000 (*b*)		5,66,79,05,000	1,88,75,10,000 (*b*)	
31,73,60,743	13,51,68,257		15,17,32,743	18,09,33,257	
6,33,61,47,743	2,30,52,76,257		5,81,96,37,743	2,06,84,43,257	

* Sterling converted into Rupees at £1=Rs. 10.

(*b*) Of this amount, Rs. 31,860 represents the funds of the Gold Standard Reserve.

M. F. GAUNTLETT,
Auditor General.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1924-25.		
	India.	England.	Total.
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	90,57,33,042	30,09,34,560	1,20,66,67,602
Exchange charged as Expenditure	11,18,24,819	...	11,18,24,819
Total	1,01,75,57,861	30,09,34,560	1,31,84,92,421
Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—			
Construction of Irrigation Works	95,898	...	95,898
Capital outlay on Posts and Telegraphs	1,17,55,881	...	1,17,55,881
Capital outlay on Vizagapatam Harbour	...	...	...
Payment of Commuted value on Pensions	...	...	...
Initial Expenditure on new Capital at Delhi	1,37,89,407	4,29,461	1,42,18,868
Capital outlay on Security Printing	...	...	...
Railway Capital not charged to Revenue—			
As per Railway Budget	7,21,37,225	6,87,92,347	14,09,29,572
Public Debt Discharged—			
Permanent Debt—			
Sterling Debt—			
7 p. c. Stock	...	...	
State Railway annuities	...	...	
Do. Do. Sinking Funds	...	...	
Redemption of liabilities assumed in respect of British War Loan (1929-47)	...	...	
Rupee Debt—			
6 p. c. Bonds, 1926	...	...	
Do. Do. I. 27	...	...	
5½ p. c. War Bonds, 1920	3,65,500	...	
Do. Do. 1921	3,56,475	...	
Do. Do. 1922	3,78,325	...	
Do. Do. 1923	3,61,375	...	
Do. Do. 1925	15,02,000	...	
5½ p. c. War Bonds, 1928	8,14,800	...	
5 p. c. War Loan, 1929-47	38,24,100	...	
Do. Loan, 1945-55	73,95,000	...	
4 p. c. Terminable Loan	11,62,300	...	
4 p. c. Gwalior Loan of 1887	2,00,000	...	
3½ p. c. Loans	6,749	...	
3 p. c. Loans	1,33,800	...	
Total	1,65,00,424	...	1,65,00,424
Carried over	1,13,18,36,696	37,01,56,368	

Central Government, in India and in England—*contd.*

Revised Estimate, 1925-26.			Budget Estimate, 1926-27.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
93,66,40,000	27,80,77,000	1,21,47,16,000	94,02,36,000	27,26,47,000	1,21,28,83,000
9,07,70,000	...	9,07,70,000	9,08,82,000	...	9,08,82,000
1,02,74,10,000	27,80,77,000	1,30,54,86,000	1,03,11,18,000	27,26,47,000	1,30,37,65,000
—1,15,000	...	—1,15,000	—55,000	...	—55,000
2,17,76,000	11,16,000	2,28,92,000	45,11,000	14,21,000	59,32,000
58,20,000	8,00,000	66,20,000	38,60,000	10,10,000	48,70,000
...	...	...	35,00,000	...	35,00,000
1,32,02,000	2,98,000	1,35,00,000	93,44,000	7,06,000	1,00,50,000
13,21,000	3,63,000	16,84,000	50,000	1,22,000	1,72,000
12,94,78,000	11,03,35,000	23,98,13,000	15,58,61,000	14,03,24,000	29,61,85,000
...	...		...	99,91,000	
...	1,30,23,000		...	1,34,72,000	
...	36,41,000		...	20,00,000	
...	48,77,000		...	51,18,000	
2,00,000	...		2,00,000	...	
1,50,000	...		1,50,000	...	
1,70,000	...		1,50,000	...	
90,000	...		90,000	...	
3,44,81,000	...		8,00,000	...	
17,84,40,000	...		19,90,00,000	...	
7,40,89,000	...		...	...	
3,67,74,000	...		...	...	
9,54,000	...		...	...	
9,00,000	...		...	...	
80,000	...		80,000	...	
...	...		...	...	
7,000	...		...	...	
4,20,000	...		3,50,000	...	
32,67,55,000	2,15,41,000	34,82,96,000	20,08,20,000	3,05,81,000	23,14,01,000
1,52,56,47,000	41,25,30,000		1,40,90,09,000	44,68,11,000	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1924-25.		
	India.	England.	Total.
	Rs.	Rs.	Rs.
Brought forward	1,13,18,36,696	37,01,56,368	...
Floating Debt—			
Treasury Bills—			
Issued to Public	2,11,80,000	...	
Do. Paper Currency Reserve	49,65,00,000	...	
Total	51,76,80,000	...	51,76,80,000
Unfunded Debt—			
Special Loans	25,681	...	
Deposits of Service Funds	14,41,860	46,898	
Post Office Cash Certificates	1,40,31,736	...	
Savings Bank Deposits	21,83,94,656	1,04,456	
Total	23,38,93,933	1,51,354	23,40,45,287
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	13,74,67,048	...	
Other Funds	8,00,55,185	...	
Sinking Funds for Central Loans	1,25,71,832	...	
Sinking Fund Investment Account	...	...	
Gold Standard Reserve	...	79,99,12,568	
Paper Currency Reserve	...	70,66,30,534	
Deposits of Branch Line Companies	3,22,169	...	
Posts and Telegraphs Depreciation Fund	...	...	
Provincial Loans Fund	...	...	
Departmental and Judicial Deposits	80,76,99,081	...	
Advances	17,62,58,643	5,83,995	
Suspense	5,00,92,929	2,39,60,055	
Exchange on Remittance Accounts	3,14,51,376	...	
Miscellaneous	41,52,245	2,17,11,691	
Total	1,30,00,70,508	1,55,27,98,843	2,85,28,69,351
Railway Depreciation and Reserve Funds as per Railway Budget	7,67,30,296	...	7,67,30,296
Carried over	3,26,02,11,433	1,92,31,06,565	

Central Government, in India and in England—*contd.*

Revised Estimate, 1925-26.			Budget Estimate, 1926-27.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,52,56,47,000	41,25,30,000		1,40,90,09,000	44,68,11,000	
40,000	...		...	...	
49,65,00,000	...		49,65,00,000	...	
49,65,40,000	...	49,65,40,000	49,65,00,000	...	49,65,00,000
2,30,000	...		30,000	...	
14,89,000	27,000		14,79,000	27,000	
1,60,60,000	...		1,80,00,000	...	
22,52,70,000	1,00,000		23,05,79,000	1,00,000	
24,30,49,000	1,27,000	24,31,76,000	25,00,88,000	1,27,000	25,02,15,000
14,35,02,000	...		14,05,16,000	...	
8,48,17,000	...		8,65,80,000	...	
47,000	...		...	...	
97,23,000	...		1,40,90,000	...	
...	49,58,71,000		...	30,07,11,000	
...	1,05,64,23,000		...	1,19,98,96,000	
10,24,000	...		7,51,000	...	
...	...		49,000	...	
14,94,40,000	...		13,65,12,000	...	
93,42,26,000	...		91,79,61,000	...	
16,19,64,000	50,08,000		15,73,10,000	3,22,000	
1,86,83,000	1,63,37,000		1,55,46,000	1,57,30,000	
5,10,14,000	...		...	...	
1,12,87,000	84,70,000		...	15,51,000	
1,56,57,27,000	1,58,21,09,000	3,14,78,36,000	1,46,93,15,000	1,51,82,10,000	2,98,75,25,000
7,46,80,000	...	7,46,80,000	8,50,00,000	...	8,50,00,000
3,90,56,43,000	1,99,47,66,000		3,70,99,12,000	1,96,51,48,000	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1924-25.		
	India.	* England.	Total.
	Rs.	Rs.	Rs.
Brought forward	3,26,02,11,433	1,92,31,06,565	
Loans and Advances by the Central Government—			
Advances to the Provincial Loans Fund	...	...	
Other Loans and Advances	1,62,37,818	...	
Total	1,62,37,818	...	1,62,37,818
Loans between Central and Provincial Governments	10,14,99,500	...	10,14,99,500
Remittances—			
Remittances within India—			
Inland Money Orders	87,58,21,484	...	
Other Local Remittances	4,81,141	...	
Other Departmental Accounts	2,37,287	...	
Net Payments into Civil Treasuries by—			
Railways	21,31,06,711	...	
Posts and Telegraphs	3,38,77,351	...	
Net Issues from Civil Treasuries to—			
Marine	39,56,870	...	
Army and Military Engineer Services	38,68,02,369	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	1,69,19,385	...	
Other transactions	2,64,23,181	1,46,79,086	
Remittances from India for financing Home Treasury	41,47,01,621	...	
Transfers through the Paper Currency Reserve	...	5,99,66,357	
Total	1,97,23,27,400	7,46,45,443	2,04,69,72,843
Balances of Provincial Governments	...	2,29,49,269	2,29,49,269
Total Disbursements	5,35,02,76,151	2,02,07,01,277 (b)	
Closing Balance	31,73,60,743	13,51,68,257	
GRAND TOTAL	5,66,76,36,894	2,15,58,69,534	

H. DENNING,
Controller of the Currency.

Central Government, in India and in England—*contd.*

Revised Estimate, 1925-26.			Budget Estimate, 1926-27.		
India.	* England.	Total.	India.	* England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
8,90,56,43,000	1,99,47,66,000		3,70,99,12,000	1,96,51,48,000	
7,95,93,000	...		7,00,29,000	...	
2,16,54,000	...		2,05,43,000	...	
10,12,47,000	...	10,12,47,000	9,05,72,000	...	9,05,72,000
...	...	...	...	...	...
88,48,00,000	...		88,03,00,000	...	
7,96,000	...		6,70,000	...	
3,57,32,000	...		3,59,23,000	...	
26,03,43,000	...		25,01,58,000	...	
5,91,44,000	...		2,82,80,000	...	
40,10,000	...		38,31,000	...	
39,30,82,000	...		38,60,43,000	...	
1,90,00,000	...		1,65,00,000	...	
2,06,18,000	1,16,82,000		1,91,34,000	1,15,31,000	
50,00,00,000	...		27,00,00,000	...	
...	9,00,00,000		...	...	
2,17,75,25,000	10,16,82,000	2,27,92,07,000	1,89,08,39,000	1,15,31,000	1,90,23,70,000
...	2,78,95,000	2,78,95,000	...	3,72,52,000	3,72,52,000
6,18,44,15,000	2,12,43,43,000 (*b*)		5,69,13,23,000	2,01,39,31,000 (*b*)	
15,17,32,743	18,09,33,257		12,83,14,743	5,45,12,257	
6,33,61,47,743	2,30,52,76,257		5,81,96,37,743	2,06,84,43,257	

A. C. McWATTERS,
Secretary to the Government of India.

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England.

Revenue and Expenditure.	Accounts, 1924-25.		Revised Estimate, 1925-26.		Budget Estimate, 1925-26.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Principal Heads of Revenue—						
Customs	44,98,19,226	...	46,01,77,000	...	45,54,52,000	...
Taxes on Income	15,41,10,722	...	15,63,67,000	...	15,46,94,000	...
Salt	6,18,84,140	...	5,08,50,000	...	5,56,52,000	...
Opium	1,44,19,050	...	2,24,10,000	...	2,25,59,000	...
Other Heads	1,63,18,527	...	1,55,42,000	...	1,66,32,000	...
Total	69,65,51,665	...	70,53,46,000	...	70,49,96,000	...
Salt and other Capital Outlay charged to Revenue	...	17,31,744	...	10,44,000	...	10,20,000
Irrigation	...	11,44,365	...	9,38,000	...	9,13,000
Railways	6,78,41,682	...	5,31,98,000	...	6,00,87,000	...
Post and Telegraphs	80,37,233	...	1,72,91,000	...	...	40,49,000
Debt Services	...	15,27,22,592	...	14,51,11,000	...	14,04,65,000
Civil Administration	...	9,38,61,510	...	10,42,17,000	...	10,67,44,000
Currency and Mint	3,27,91,815	...	3,89,61,000	...	3,51,44,000	...
Civil Works	...	1,64,51,612	...	1,60,81,000	...	1,70,13,000
Miscellaneous	...	3,89,42,190	...	4,09,31,000	...	3,57,01,000
Military Services	...	55,63,40,218	...	56,28,00,000	...	54,88,00,000
Provincial Contributions and Miscellaneous adjustments between Central and Governments.	8,74,46,813	...	6,09,94,000	...	5,39,12,000	...
Extraordinary Items	2,53,50,721	...	33,70,000	...	11,00,000	...
Total	91,80,19,929	86,11,94,231	87,91,60,000	87,11,32,000	85,52,39,000	85,47,08,000

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England—*concld.*

Receipts and charges.	Accounts, 1924-25.		Revised Estimate, 1925-26.		Budget Estimate, 1926-27.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Surplus	5,08,25,098	...	60,36,000	...	5,31,000	...
Capital Account—						
Construction of Irrigation Works	...	95,898	...	—1,15,000	...	—55,000
Capital outlay on Posts and Telegraphs	...	1,17,55,881	...	2,28,92,000	...	59,32,000
Capital outlay on Vizagapatam Harbour	...	...	...	66,20,000	...	48,70,000
Payment of commuted value of pensions	...	...	...	...	...	35,00,000
Initial expenditure on new Capital at Delhi	...	1,42,18,808	...	1,35,00,000	...	1,00,50,000
Railway Capital not charged to Revenue	...	13,95,24,694	...	23,00,64,000	...	26,66,66,000
Capital outlay on Security Printing	...	...	...	16,84,000	...	1,73,000
Debt, Deposits, Advances and Remittances—						
Permanent Debt	11,74,76,934	...	...	3,97,60,000	...	89,17,000
Floating Debt	...	2,11,80,000	...	40,000	...	...
Unfunded Debt	8,96,12,089	...	12,15,77,000	...	9,58,16,000	...
Deposits and Advances	2,32,83,871	...	13,83,39,000	...	13,50,08,000	...
Loans and Advances by Central Government	...	1,22,69,059	...	9,29,82,000	...	8,06,23,000
Loans between Central and Provincial Governments	...	8,86,60,909	...	...	...	...
Remittances	1,13,35,974	...	17,000	...	...	5,48,000
Balances of Provincial Governments	2,64,95,115	...	1,95,93,000	...	29,000	...
Opening Balance	41,52,64,768	...	45,25,29,000	...	33,26,66,000	...
Closing Balance	...	45,25,29,000	...	33,26,66,000	...	15,28,27,000
Total	74,02,34,399	74,02,34,399	74,00,93,000	74,00,93,000	56,40,50,000	56,40,50,000

M. F. GAUNTLETT,
Auditor General,

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT,
The 1st March 1926.

THE INDIAN FINANCE BILL.

INTRODUCED IN THE LEGISLATIVE ASSEMBLY ON THE 1ST MARCH 1926.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to repeal the Cotton Duties Act, 1896, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, to fix rates of income-tax, and to provide for the appropriation of certain monies for the purpose of the reduction or avoidance of public debt.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to repeal the
II of 1896. Cotton Duties Act, 1896, to fix maximum rates of postage under
VI of 1898. the Indian Post Office Act, 1898, further to amend the Indian Paper
X of 1923. Currency Act, 1923, to fix rates of income-tax, and to provide for the appropriation of certain monies for the purpose of the reduction or avoidance of public debt; It is hereby enacted as follows :—.

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1926.

(*2*) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(*3*) Sections 2 and 4 shall remain in force only up to the 31st day of March, 1927.

XII of 1882.

Fixation of salt duty.

2. The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the 1st day of April, 1926, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

II of 1896.

Repeal of Act II of 1896.

3. The Cotton Duties Act, 1896, is hereby repealed :

Provided that any person who hereafter exports by sea any goods on which duty has been paid under the said Act may apply, in the manner provided therein, for the repayment as drawback of the duty so paid, and the Customs-collector shall allow such drawback if he is satisfied that such person would have been entitled to receive payment thereof if the said Act had not been repealed.

Postal rates.

VI of 1898.

4. With effect from the 1st day of April, 1926, the schedule contained in the First Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

Amendment of Act X of 1923.

5. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1926" the figures "1927" shall be substituted. X of 1923.

Income-tax and super-tax.

6. (1) Income-tax for the year beginning on the 1st day of April, 1926, shall be charged at the rates specified in Part I of the Second Schedule.

(2) The rates of super-tax for the year beginning on the 1st day of April, 1926, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Second Schedule. XI of 1922.

(3) For the purposes of the Second Schedule, "total income" means total income as determined, for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922. XI of 1922.

Appropriation of share of Dawes annuities to reduction or avoidance of debt.

7. The balance of all monies accruing to the Governor General in Council after the 31st day of March, 1926, as the share of British India in the annuities payable by Germany under the agreement between the Allied Governments and the German Government signed at London on the 30th day of August, 1924, which remains after payment out of such monies of such amounts as may be payable to local authorities or other persons by way of reparation for loss or damage due to enemy action in the late war, shall be appropriated and applied for the purpose of the reduction or avoidance of public debt.

SCHEDULE I.

Schedule to be inserted in the Indian Post Office Act, 1898.

(See section 4.)

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

(See section 7.)

Letters.	
For a weight not exceeding two and a half tolas	One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas.	One anna.
Postcards.	
Single	Half an anna.
Reply	One anna.
Book, Pattern and Sample Packets.	
For every five tolas or fraction thereof	Half an anna.
Registered Newspapers.	
For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.
Parcels.	
For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas."

SCHEDULE II.

(See section 7.)

PART I.

Rates of Income-tax.

	Rate.
A. In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(1) When the total income is less than Rs. 2,000	*Nil.*
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.	Five pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	Six pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 20,000.	Nine pies in the rupee.
(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	One anna in the rupee.
(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and three pies in the rupee.
(7) When the total income is Rs. 40,000 or upwards	One anna and six pies in the rupee.
B. In the case of every company, and registered firm, whatever its total income.	One anna and six pies in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over fifty thousand rupees of total income :—

	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first twenty-five thousand rupees of the excess.	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess.	One anna in the rupee.
(*b*) in the case of every individual unregistered firm and other association of individuals not being a registered firm or a company for every rupee of the first fifty thousand rupees of such excess.	One anna in the rupee.
(*c*) in the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(*i*) for every rupee of the second fifty thousand rupees of such excess.	One and a half annas in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess.	Two annas in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess.	Two and a half annas in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess.	Three annas in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess.	Three and a half annas in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess.	Four annas in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess.	Four and a half annas in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess.	Five annas in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess.	Five and a half annas in the rupee.
(*x*) for every rupee of the remainder of the excess . .	Six annas in the rupee.

STATEMENT OF OBJECTS AND REASONS.

1. The object of this Bill is to continue certain provisions of the Indian Finance Act, 1925, which would otherwise cease to have effect from the 1st April, 1926, to repeal the Cotton Duties Act, 1896, and to provide for the appropriation of the share of British India in the Dawes Annuities to the reduction or avoidance of debt.

2 Clauses 2, 4 and 6 provide for the continuance of the rates of salt duty, postage, income-tax and super-tax prescribed by the Indian Finance Act, 1925, while clause 5 provides for the credit to revenue for a further period of one year, *i.e.*, till the 31st March 1927, of interest on securities forming part of the Paper Currency Reserve.

3. Clause 3 repeals the Cotton Duties Act, 1896, and provides, in the case of export by sea, for repayment of drawback of the duty paid as if the Act had remained in force.

4. Clause 7 provides for the balance of the share of British India in the annuities payable by Germany under the London Agreement of 1924 remaining after payment to private persons and local bodies as reparation for damage due to enemy action, being applied for reduction or avoidance of debt. The amounts are uncertain and fluctuating in character and represent recovery of expenditure that may be presumed to have been originally met out of borrowed funds and the capitalised value of certain pension payments.

BASIL P. BLACKETT.

The 1st March, 1926.

Speech of the Financial Secretary in the Council of State on the 1st March 1926.

THE HONOURABLE MR. A. C. McWATTERS (Finance Secretary): Sir, I rise to present a statement of the estimated expenditure and revenue of the Governor General in Council for the year 1926-27 in respect of subjects other than Railways. I should perhaps first explain to the House the reason why we have reverted this year to the old procedure of introducing the Budget on the 1st March instead of, as in the last two years, on the last day of February. There has been no change of policy. It is because not only was the last day of February a Sunday, but the day before was an important Hindu holiday and we were unable to go further back and introduce the Budget on the 26th of February, because the holiday on Saturday was not one which was observed at all the customs ports. We have therefore reverted to the old procedure, I hope only temporarily: provided that is that the calendar does not play us any further tricks.

First of all I will as usual give the House some account of the final figures of the year which ended last March, the year 1924-25. The detailed accounts of that year have only just reached us—I myself got my copy last week. A year ago in our revised estimates we anticipated that there would be a surplus of approximately 4 crores in that year. The final surplus as shown by the audited accounts is 5·68 crores. This difference of one crore and 68 lakhs is fully accounted for under two heads of the Budget. In the first place there has been a saving in military expenditure of 70 lakhs which took place entirely in England and was due to reduced purchases of stores and also to certain adjustments of war expenditure with the War Office. I might mention at this point that these adjustments have nothing whatever to do with the major war claims about which this House on various occasions has heard a good deal. Negotiations have been proceeding throughout the year in connection with those claims, and I hope that before very long we shall arrive at a solution not unfavourable to this country. The other source which added to our surplus was Railways. The contribution from Railways to central revenues was larger by no less than 114 lakhs. This was due largely to the increased earnings of the Railways during the months of February and March, mainly on account of the early movement of the cotton and grain and other crops which set in in those months. This early movement incidentally largely accounts for the reduced earnings of the Railways in the following months of the summer. The working expenses of Railways were also lower, partly on account of certain economies which were introduced, and partly on account of adjustments which were necessitated in connection with the decision of the Privy Council by which the customs duty on imported stores on company lines had to be credited to railway revenues. So far as the rest of the civil Budget is concerned, the difference between the revised and actuals is 15 lakhs only, of which 11 lakhs is under Posts and Telegraphs. There were, it is true, considerable divergences in both directions under different heads, but I think on the whole we can take considerable credit for being as accurate as we were. I will return, when I come to the subject of ways and means, to this increased revenue surplus of 168 lakhs, because last summer when we took the decision to do without a cash loan there was a good deal of misunderstanding in certain quarters as to how we were able to effect this. Certain people imagined that the Finance Member had many crores of revenue surplus up his sleeve, but

when we come to the ways and means portion of the Budget, I shall explain to the House exactly what our increased ways and means resources were.

I now pass to the current year. The Honourable Sir Arthur Froom speaking in this House a few days ago on the Railway Budget said that it had been a year of trade depression. The Honourable Member's views are not unnaturally coloured by the position in Bombay and by the very serious depression in the cotton mill industry. That industry has been passing through a crisis, perhaps the severest in its history, and it is not unnatural that it has cast a shadow over the year as a whole. Also it has been a year of falling prices, and falling prices are not usually coincident with expanding trade. In December 1924 the wholesale index number of prices in India was 176. It had fallen 12 months later to 163, and this fall is almost exactly parallel to the corresponding fall of sterling prices in England. A year ago the price of raw cotton and the price of cotton piece-goods were far above the general level. In the last year the price of raw cotton has largely readjusted itself, but cotton piece-goods still maintain their unenviable position in spite of some fall in price in the last six months. There are however some brighter spots in the picture. In spite of the fall in prices which I have mentioned, the total volume of the foreign trade of India in the 10 months ending January last has reached very nearly 500 crores, which is very little less than the figure for the corresponding 10 months of the year before; and, still more important, the balance of trade in those 10 months has been in favour of India (after taking into account imports of gold and silver) to the extent of nearly 86 crores. This can be compared with 42 crores in the year before and 63 crores in the year before that. This favourable balance of trade is an important matter for a country situated as India is and it has helped us not a little to maintain a steady level of exchange during the last year. Also there is another point which I should like to emphasise and that is that Government were able to keep out of the loan market altogether during this year, and this, I think, has contributed considerably to the much greater easiness in the money market which has been characteristic of the present busy season. We have to go back many years before we can find a bank rate of 6 per cent. at this time of the year; nor has the Imperial Bank so far been compelled to take any portion of their seasonal loans from currency. All the same the feature of the situation which has been uppermost in our minds is no doubt the position of the cotton mill industry, and although it is anticipating a little what I shall have to say later, I will tell Honourable Members now that the Finance Bill, which will shortly be in their hands, contains a clause for the repeal of the cotton excise duty, I hope for ever.

The figures for our revised estimates for the current year under Customs naturally are affected by the suspension of the cotton excise duty from December. We shall lose thereby 71 lakhs. Also the depression in the piece-goods trade will mean that we shall be short by a crore and a quarter under that head. On the other hand, the imports of sugar have been exceptionally large, and as the duty is now at a specific rate instead of as previously *ad valorem*, we get the full advantage of the increased imports. We expect to get 130 lakhs more from sugar alone, which more than counterbalances the loss under piece-goods. Other heads of the tariff which have done well during the war have been the protective and export duties, and more particularly the petrol excise which in spite of the reduction by one-third in the rate will yield more money in the current year than in the year before. There have also been very good imports of

motor cars, I am glad to say mostly of British makes. The net result is that under Customs we expect to have an improvement of 50 lakhs in spite of the suspension of the cotton excise duty. Under Taxes on Income, I am afraid the picture is not quite so rosy. We adopted a figure which was 87 lakhs below the Budget of the previous year. I am sorry to say that we expect to be short by no less than 110 lakhs under this head. Also under Salt, in the early months of the year there were considerable accumulations of stocks which affected issues, especially in Northern India, and although the issues in the later months have been well up to normal, we expect to be short by 55 lakhs. Under Opium we had to ask for a supplementary grant of 51 lakhs in the autumn, but we shall only use 35 lakhs of that, and on the other hand the stocks of opium which were taken over and paid for by Provincial Governments on the 31st March have proved to be higher by 24 lakhs than we had calculated, and also the receipts from our sales have been somewhat higher; so that under the Opium head as a whole we shall have an improvement of 48 lakhs, and the net revenue from Opium will be slightly over 2 crores. Under Railways, as the House knows, we shall get a small increase of 8 lakhs in the contribution. The only other items I need mention on the revenue side are a considerable improvement in the interest on our cash balances in England and on the interest on the securities in the Paper Currency Reserve. This also is the first year in which we obtain an instalment of the reparation receipts from Germany under the Dawes scheme—a small item of about £60,000.

Turning to the expenditure side, exchange has been slightly higher than the figure which we took, *viz.*, 1*s.* 6*d.*, and we expect to gain 10 lakhs from this source, besides small amounts under Railways and under capital heads. In respect of military expenditure we took a figure of 56¼ crores, and this figure will be almost exactly worked to. The figure which we are adopting in the revised estimate is 56 crores 28 lakhs. In fixing the figure of 56¼ crores for the Budget we made an overhead cut of 20 lakhs in military expenditure, and it will be seen that this cut has been practically given effect to. The same is true of the civil expenditure. We made an overhead cut of 15 lakhs under 12 different heads, and this will be given effect to in all cases except two—the Survey of India and the Indian Stores Department, for both of which we have had to ask for supplementary grants. But on the civil side there are four big items of a book-keeping character which have the effect of adding to our surplus. The first of these is connected with the new procedure relating to capital stores for the Telegraph Department. The House may remember that in the current year we are taking these stores direct to the capital head instead of, as under the old procedure, taking them first to a suspense head. The result of this is that in the current year we obtain a non-recurring credit of the value of the stores in suspense on the 31st March last. This was expected to be 129 lakhs. The value of these stores on the 31st March is now however found to be 181 lakhs; so we obtain 52 lakhs non-recurring credit under this head. Secondly, there is the item to which I have already referred, the increased value of the stocks of opium in our treasuries which were taken over and paid for by Provincial Governments amounting to 24 lakhs; and thirdly, there is an item of 30 lakhs which results from the Government of Bombay paying interest on some of their loans from the Provincial Loans Fund for 15 months instead of 12, their object being to bring their interest payments down to 31st March, which is a more convenient date for them; and finally, there is an item of 17 lakhs which is due to the cost of certain buildings for the

Security Printing Press at Nasik being transferred from revenue to capital at the wish of the Assembly. These four items taken together amount to 123 lakhs, and if it had not been for these items, our revised estimates would have been almost the same as the Budget. As it is, taking account of the 24 lakhs surplus for which we budgetted, our expected surplus in the current year will be 130 lakhs.

This 130 lakhs would in the ordinary course go automatically to debt redemption, but the Government of India have a proposal of a somewhat novel kind to put before the Legislature, to apply 50 lakhs of this surplus to form the nucleus of an Archæological Trust Fund for the prosecution of archæological research and excavation. All of us must, I think, have been impressed by the interest and importance of the recent discoveries of ancient civilizations in the Indus Valley which take us back long before the Christian era and link up India with the ancient civilizations of the valleys of the Tigris and Euphrates, and perhaps take us still further back to the very dawn of history. To prosecute these researches is a national privilege and a national duty. They have a value which is incalculable not merely in illuminating the origins of Indian civilisation, but in throwing light on the origins of the civilisation of the world. There are obvious advantages in making this endowment a permanent one and not depending upon the supply of funds year by year. First of all, it ensures continuity—continuity in working out a definite programme over a period of years, and continuity in training the necessary expert staff with certainty of permanent employment; and secondly, we hope that the initiation of this Fund will strike the imagination of individuals and of bodies outside Government. We hope to enlist their interest and their co-operation and to obtain from them perhaps also financial support. Who knows, we may even find our Rockefeller. The details of this proposal will be explained to the House on a later occasion. At the present moment I am principally concerned with emphasising the financial effect of it. So far as the current year is concerned, it simply means that 50 lakhs of the surplus which would otherwise go to debt redemption is used to capitalize an annual charge of about 2½ lakhs. So far as future Budgets are concerned, it means that the Budgets will be relieved of this charge of 2½ lakhs, but as we must assume that our borrowings will ultimately be increased to the extent of 50 lakhs on which we shall have to pay interest, the financial effect, so far as future Budget is concerned, is *nil*.

Before I turn to the Budget for next year, I should like to mention some changes which have been made in the form of the documents which will shortly be presented to the House. The first and most obvious change which will strike the eye is that a number of the documents have been printed this year in octavo form. By so doing, we save a considerable amount of expenditure in printing because much of this information has in any case to be printed in octavo form for presentation to Parliament. Also we hope that the octavo form will be found more convenient to handle; and remembering a complaint which I heard the other day from an Honourable gentleman opposite I hope that the printing will not be found so small as to try the eyes of elder statesmen. The most important change which we have made is in the Demands for Grants. During the course of the year the Auditor-General has been conducting an inquiry into our Appropriation Reports with the object of improving their form and adopting, so far as possible, the form which is in force in England. His inquiry was undertaken at the request of the Public Accounts Committee and his recommendations have been approved by them. It is as a corollary of these that we are making changes in the form of the Demands

for Grants, the most important of which is that the details will be shown in all cases under the sub-heads of account by which the expenditure will be finally accounted for, so that the Public Accounts Committee can follow the actual expenditure under each sub-head more easily and can watch the reappropriation from one head to another. I may add that the Demands for Grants contain the usual information by circles of account and all the detailed information in the same fulness as before.

I now turn to the Budget. As usual we have to fix a rate of exchange, but this year I think we had no option but to accept the rate of exchange which has practically been prevalent for the last 18 months. We have adopted, as in the current year, 1*s*. 6*d*. As regards military expenditure we have taken a figure of 54·88 crores, which is 137 lakhs below the Budget for last year. This year the military Budget is disturbed by fewer non-recurring items, but it still includes a sum of ·66 lakhs for gratuities to demobilised officers and 23 lakhs for buildings in Waziristan and for the Royal Air Force, and it also contains a non-recurring credit of 25 lakhs from surplus war stores. The House will see that we have now long passed the first stage of the Inchcape Committee's recommendations, namely, 57 crores, and have proceeded some way towards their second goal. It may be said that the military Budget has been helped a good deal by exchange standing at 1*s*. 6*d*. instead of 1*s*. 4*d*. which was the rate taken by the Inchcape Committee. That is true, but on the other hand the Army has now to bear a large number of charges which were not contemplated by the Inchcape Committee. For instance, they now bear the customs duty on imported stores and also the charges for stationery and printing and a large number of similar items. I shall not trouble the House with further details about the Military Budget, because I think Honourable Members will wish to go into it fully for themselves. But I may say that in the military estimates this year are given explanations in much greater fulness than has ever been attempted before.

So far as civil expenditure goes, there is an apparent increase of 30 lakhs over the revised estimate for this year. But this increase really disguises a very large decrease because in the current year, the House will remember, we have a large non-recurring credit of 181 lakhs from telegraph capital stores. In the budget year, on the other hand, we are able to point to a definite saving of more than 1 crore in interest charges. This of course is due to our having been able to meet our capital expenditure including that for the Railways and Provincial Governments without fresh borrowing. The actual reduction in the interest on our market debt is 179 lakhs. We have to set off against this, however, an increase of 75 lakhs in the interest on our unfunded debt which includes provident funds, post office cash certificates and savings banks and so on. The other item of civil expenditure to which I should like to draw attention is Opium. The expenditure under Opium has been reduced very drastically in the coming Budget, both because we have restricted the area of cultivation and also because we are reducing the prices paid to cultivators. On the other hand, we do not next year obtain a non-recurring credit from stocks of opium in treasuries and the net result is that our income from opium next year will be practically the same as in the current year, slightly over 2 crores.

Last year I was able to tell the House that we had made a beginning in extending our expenditure for items of a specially beneficial character. This year I am glad to be able to tell the House that we have found it possible to go a good deal further. I will give the House a few instances of such items. First of all we have raised the grant to the Indian Medical

Research Fund to 6¾ lakhs; secondly, we have given a recurring increase of one lakh for education in the North West Frontier Province and also a non-recurring grant of 1¼ lakhs to the Government High School at Peshawar; we have provided Rs. 50,000 for the Victoria Hospital at Ajmer and a similar sum for Dr. Shroff's new Eye Hospital at Delhi. We have increased the recurring grants to the Aligarh and Benares Universities by Rs. 25,000 each and that to the Delhi University by Rs. 10,000 and to the two first named Universities we have given non-recurring grants of 2 lakhs each as the first instalment of non-recurring grants. We have also allotted a considerable sum towards the completion of the Forest Research Institute at Dehra Dun and have added to our grants to the Research Institutes at Coimbatore, Pusa, Muktesar and elsewhere. I think the House will realise that now that we are able to do something for the provinces by enabling them to extend their expenditure on beneficial services, we are not unmindful of our own obligations of a similar character.

So far as the revenue side of the Budget is concerned, I need only mention that under Customs we cannot expect to get the same return from sugar, but we do expect a better return under piece-goods. We expect trade to be slightly better on the whole and have adopted a figure which is 130 lakhs better than the revised estimate for this year, but for the moment this figure includes 1¾ crores for the cotton excise duty. Excluding this our figure would be 45 lakhs below the revised estimate of this year. Under Taxes on Income we have had to take into account the serious depression in the Bombay mill industry and we have adopted a figure which is 10 lakhs below the revised estimate for the current year, that is no less than 120 lakhs below the Budget for last year. Under Salt we have budgetted for a normal year. From Railways we get a contribution of 601 lakhs, because the basic year happens to be a favourable one. I will deal slightly more fully with Posts and Telegraphs. In the current year the net result of the profit and loss account of that Department—which I may remind the House is not by any means yet a final account, some figures, such as those for interest, being still doubtful quantities—is neither a profit nor a loss. In the coming year we expect the working expenses of the department to be higher by 61 lakhs, which includes a substantial amount improving the conditions of service of the subordinate staff. On the other hand we do not expect the gross revenue to be more than 41 lakhs better than in the current year. The final result according to the profit and loss account is that the Department will be working at a loss next year of 10 lakhs. The Postal Department will show a profit of 20 lakhs, the Telegraph Department a loss of 20 lakhs and the Telephone Department a loss of 10 lakhs. I do not wish to draw any inferences from this, though I think Honourable Members will find that the Honourable the Finance Member in another place is drawing such inferences. I will merely say that the Department seems to be in a state of unstable equilibrium. The only other head of the Budget to which I wish to refer is that we are still taking to revenue the interest on the Paper Currency Reserve and the excess of the Gold Standard Reserve over 40 millions. There is no doubt that the Royal Commission on Currency when they report may make recommendations regarding these reserves of an important character, but we are entitled to assume that whatever their recommendations may be the net profit which Government obtain from these sources should be the same as before. We are now able to strike a balance and remembering that in the revenue side I have included 1¾ crores for the cotton excise duty, the surplus for the budget year works out at 305 lakhs.

Before discussing what is to be done with this surplus I will turn to ways and means. The ways and means portion of our Budget is certainly not the least important and I think that this year it presents several striking features. I will take the House back to the extra revenue surplus of 168 lakhs which we had in the year 1924-25. When we came to our decision in the summer to do without a cash loan we found that our resources were larger by very much more than that amount. That 168 lakhs includes 114 lakhs extra contribution from Railways, but that is by no means the whole of the extra amount which the Railways contributed to our balance because we have to take into account their capital expenditure and also the amount which they set aside to reserve. The actual amount by which our balances were increased on the 31st March by the Railways was 346 lakhs. The second source from which our balances were increased was the Provincial Governments. The Provincial Governments, one and all, prepared their revised estimates with an embarrassing conservatism and the increase to our resources from the Provincial Governments was no less than 630 lakhs. I am not making any complaint but I think it is clear that the preparation of the ways and means Budget of the Central Government is in these circumstances rendered extraordinarily difficult. We had from these two sources alone 9¾ crores addition to our balances and the decision which we took to do without a cash loan, as the House will realise, has been abundantly justified. In spite of the very large amounts which we have been remitting to England throughout the year in excess of the Secretary of State's requirements, we have been able to avoid entering the market for a loan and we have not borrowed either by means of Treasury Bills or by means of ways and means advances from the bank, and the result I think has been that our operations have contributed to the much greater ease which has been noticeable in the money market during the current year. I turn now to the conversion loan itself. That loan was issued at 5 per cent. income-tax free, which is roughly equivalent to 5½ per cent. subject to tax. The result of the loan was that besides redeeming a certain portion of the 1925 bonds last year, we have converted 29 crores of debt which will mature in the next three years, and most important of all we have converted 18 crores of the bonds which would have matured in 1926. We have reduced our liabilities for 1926 bonds from 38 crores to 20 crores, which is a much more manageable proposition. The effect of the conversion loan on our interest charges will be apparent when I say that we had to make cash payments of 64 lakhs but the recurrent saving by the conversion of the debt is 18¾ lakhs a year, and in addition to that 4¾ crores of our debt has been transferred from debt which was free of income-tax to debt which is subject to income-tax.

I turn now to the next year. We have as usual a very considerable programme before us. In the first place, we have to meet 24 crores of maturing debt, including the 20 crores of 1926 bonds and certain railway debentures in England. We have also a new capital programme of 28½ crores, which includes 26 crores for the Railways, and a further 7 crores for Provincial Governments. The total of these items is approximately 59 crores. We expect to meet these liabilities first of all by reducing our balances by 15 crores; secondly, from miscellaneous sources, such as unfunded debt, post office cash certificates, savings banks and so on, we expect 11½ crores. Thirdly, the provision for reduction of debt which is included in the Budget gives us 5 crores, and finally, from the railway reserves and the railway and other depreciation funds we shall get 5½ crores. The net result is that we shall have to find by borrowing a sum not greater than 22 crores, which I would point out to the House is scarcely larger than the amount of the Bonds which are actually maturing

in India this year. I think the position is one which we can regard with considerable satisfaction and I hope that it will be reflected in our borrowing rates. At this point I should like to refer to post office cash certificates. In view of the reduction in our borrowing rates and the further reduction which we expect in the future, we consider that the rates which we are now offering are too high, and an announcement will shortly be made reducing those rates. But at the same time we are adding some new features which we hope will preserve and add to the popularity of these certificates.

I now come back to the surplus of 305 lakhs. The problem that always confronts us with regard to a surplus, when we have a surplus, is whether it is a real surplus and what we are to do with it? Now in considering whether this surplus is a real surplus we have to remember first of all that we have taken in the Budget a rate of exchange of 1*s.* 6*d.* and that we shall have in our hands very soon the Report of the Royal Commission on Currency, and what that report may be is on the knees of the gods. In the second place, we have to consider the question of the contribution from Railways. It was stated in the House the other day, that the contribution from Railways is a constantly increasing figure. Now it is perfectly true that the one per cent. on the capital at charge of the commercial lines is an increasing figure, but that does not necessarily mean that the contribution from Railways will increase from year to year because the total amount of the contribution also depends upon the earnings of the Railways in the penultimate year. Now our budget figures are based upon a very favourable year for Railways, and the actual fact is that the railway contribution in the year 1927-28 is expected to be less than in the budget year by about 79 lakhs. Thirdly, we have to consider our opium revenue. The House is aware that I have given notice of a Resolution with regard to opium policy which contemplates the progressive reduction and eventual extinction of our exports of opium. I shall not say anything more about that policy at the moment, but if it is given effect to we have to regard our 2 crores or so of opium revenue as a disappearing figure. The Government of India have considered all these points very carefully. They do not think that it would be proper to set aside any of our surplus as an insurance against what the Royal Commission on Currency may or may not recommend. With regard to the loss of revenue from opium, this cannot take effect in one year or two, and we should be able before that revenue is entirely extinguished to make it up from other sources of revenue or by reductions of expenditure. I have in mind particularly the income-tax. We have spent large sums on improving our income-tax staff and arrangements but we have never yet tested them in a year of good trade, and secondly, I have in mind military expenditure. The Military Budget, as I have explained to the House, still contains some items of a non-recurring character, and also there are other items, such as the reduction of pay of the British soldier, which took effect this last year but will not show its full effect for several years to come. Considering all these factors the Government of India have decided not to hold up as an insurance any appreciable part of this surplus but to make available 3 crores of it for distribution. 175 lakhs of the surplus will, as I have already told the House, be devoted to the abolition of the cotton excise duty, and 125 lakhs will be devoted to the reduction of provincial contributions in accordance with the Devolution Rules. This means that Madras will get 57 lakhs, the United Provinces 33 lakhs, the Punjab 28 lakhs and Burma 7 lakhs.

As regards the Finance Bill, apart from the clause repealing the cotton excise duty, it contains no proposals for alteration in taxation. It does

however contain one clause of a novel character which contemplates the allocation to redemption of debt of the reparation receipts from Germany after deducting such compensation claims as have to be paid to private individuals or public bodies who have suffered from enemy action. I will not trouble the House with a long explanation of that at the present time, but will explain it fully when the Bill comes before the House. I will merely mention that as a set off to that proposal we are discontinuing in the next year the allocation to debt redemption of an amount equivalent to the customs duty on imported capital stores. These two items practically balance each other; in fact the second item is slightly larger, so that the net amount which goes to debt redemption is slightly smaller than it would otherwise be.

I think the House will agree that in the course of these last three Budgets we have effected something substantial. We shall have got rid of 4¼ crores of provincial contributions, including the 63 lakhs to Bengal. This it is true is not quite half of the total contributions, but it is a sufficiently substantial achievement to lead us to hope that within a measurable period we shall be able to get rid of the remainder; secondly, we shall have got rid of the cotton excise duty; and, thirdly, we shall have made a beginning in the reduction of fares and freights on Railways. And in the meantime the Railways, as the House has heard, have built up a very strong position and have accumulated considerable reserves; while the credit of the Government of India if it is measured by their borrowing rates and by the price at which our securities now stand has certainly improved materially in the course of these three years. There is one problem however which we have not touched, I mean the relation of central and provincial finance. Only the other day Honourable Members received copies of the Taxation Inquiry Committee's Report. It is a report in which this House ought to take a special interest as we number among us not merely the distinguished Chairman, the Honourable Sir Charles Todhunter, but another eminent member of the Committee the Honourable Maharajadhiraja Bahadur of Burdwan, and until a few days ago we had a third representative in the Honourable Sardar Jogendra Singh who has now been translated to other important activities elsewhere. The House has probably not had time to study that Report fully, but I think even after a cursory glance they will agree that the Chairman and members of that Committee are to be most heartily congratulated on the speed and the thoroughness with which they have covered such a vast field of inquiry. The Report is full of information of the most valuable kind, and I specially mentioned it in connection with this problem of central and provincial finance because I believe that the Report will enable us to look at that problem from a wider outlook than has been possible hitherto. It is a problem which I am convinced is not insoluble, but it certainly does demand a great deal of sympathetic consideration by all parties concerned of the special difficulties of the others. After all, our interests are in the long run the same and I think our motto should be that of Dumas's heroes, "One for all and all for one". I should like to emphasise also that the most necessary and essential preliminary for the improvement of relations between the Central and Provincial Governments in matters of finance is the continued strengthening of the finances of the Central Government itself.

That is all, Sir, that I have to say this morning. This is the third Budget which I have had the honour of presenting to this House, and I regret to say that it will also be the last. I beg to thank the House very cordially for the attention with which they have listened to what I have had to say.

Schedule of demands for grants for expenditure of the Central Government (excluding Railways) for the year 1926-27 submitted for the vote of the Legislative Assembly.

Number of demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount.	Reference to page of detailed statements.
	A.—Expenditure from Revenue.		R	
† 16	Customs	Customs	71,84,000	1—23
17	Taxes on Income	Taxes on Income	63,64,000	24—43
18	Salt	Salt	99,00,000	44—75
19	Opium	Opium	1,52,96,000	76—83
20	Stamps	Stamps	1,000	84—92
21	Forest	Forest	8,69,000	93—97
22	Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works.	Works for which capital accounts are kept, Miscellaneous Irrigation Expenditure, Construction of Irrigation, etc., Works.	14,74,000	98—111
23	Indian Postal and Telegraph Department (including Working Expenses).	Posts and Telegraphs	10,29,48,000	112
24	Indo-European Telegraph Department (including Working Expenses).		33,29,000	113
25	Interest on Debt and Reduction or Avoidance of Debt.	Interest on ordinary Debt	94,49,000	114—115
26	Interest on Miscellaneous Obligations	Interest on other Obligations	23,76,000	116—120
27	Staff, Household and allowances of the Governor General.	General Administration	9,90,000	121—125
28	Executive Council		62,000	126
29	Legislative Bodies		5,69,000	127—128
30	Foreign and Political Department		8,22,000	129—130
31	Home Department		6,07,000	131—135
32	Public Services Commission		1,07,000	136—137
33	Legislative Department		5,61,000	138—139
34	Department of Education, Health and Lands.		5,29,000	140—142
35	Finance Department		9,99,000	143—148
36	Separation of Accounts from Audit		12,30,000	149—154
37	Commerce Department		2,87,000	155—156
38	Army Department		5,55,000	157—158
39	Department of Industries and Labour		4,85,000	159—160
40	Central Board of Revenue		1,88,000	161—162
41	Payments to Provincial Governments on account of Administration of Agency subjects.		1,44,000	163—164
42	Audit	Audit	71,92,000	165—183
43	Administration of Justice	Administration of Justice	1,88,000	184
44	Police	Police	2,10,000	185—188
45	Ports and Pilotage	Ports and Pilotage	24,27,000	189—204
46	Survey of India	Scientific Departments	29,01,000	205—220
47	Meteorology	,, ,,	9,17,000	221—227
48	Geological Survey	,, ,,	1,99,000	228—230
49	Botanical Survey	,, ,,	6,86,000	231—233
50	Zoological Survey	,, ,,	1,46,000	234—235
51	Archæology	,, ,,	14,09,000	236—239
52	Mines	,, ,,	1,73,000	240—241
53	Other Scientific Departments	,, ,,	3,19,000	242—244
54	Education	Education	7,00,000	245—246
55	Medical Services	Medical	7,81,000	247—254
56	Public Health	Public Health	10,34,000	255—263
57	Agriculture	Agriculture	15,02,000	264—286
58	Civil Veterinary Services	,,	6,77,000	287—291
59	Industries	Industries	43,86,000	292—295
60	Aviation	Aviation	3,50,000	296—297
		Carried over	19,35,13,000	

† Demands Nos. 1—15 relate to expenditure on Railways.

Schedule of demands for grants for expenditure of the Central Government (excluding Railways) for the year 1926-27 submitted for the vote of the Legislative Assembly—*contd.*

Number of demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount.	Reference to page of detailed statements.
			R	
	Brought forward		19,35,13,000	
	A.—Expenditure from Revenue—*contd.*			
61	Commercial Intelligence and Statistics	Miscellaneous Departments.	2,47,000	296—300
62	Emigration—Internal	,, ,,	45,000	301—304
63	,, External	,, ,,	85,000	305—308
64	Joint-Stock Companies	,, ,,	1,35,000	309—313
65	Miscellaneous Departments	,, ,,	2,47,000	314—319
66	Indian Stores Department	,, ,,	16,27,000	320—332
67	Currency	Currency	59,12,000	333—348
68	Mint	Mint	15,71,000	349—354
69	Civil Works	Civil Works	1,55,27,000	355—397
70	Superannuation Allowances and Pensions	Superannuation Allowances and Pensions.	35,19,000	398—400
71	Stationery and Printing	Stationery and Printing	34,27,000	401—436
72	Miscellaneous	Miscellaneous	16,04,000	437—450
73	Adjustments with Provincial Governments	Miscellaneous Adjustments between Central and Provincial Governments.	6,00,000	451—452
74	Refunds	Distributed over respective heads of account.	54,59,000	453—454
75	North-West Frontier Province		1,13,41,000	455—508
76	Baluchistan		27,22,000	509—534
77	Delhi		35,56,000	535—556
78	Ajmer and Merwara		13,77,000	557—576
79	Andamans and Nicobar Islands		37,41,000	577—589
80	Rajputana		5,36,000	590—600
81	Central India		5,90,000	601—614
82	Hyderabad		77,000	615—621
83	Expenditure in England—Secretary of State for India		17,47,000	622—623
84	Expenditure in England—High Commissioner for India		16,43,000	624—626
Non-voted.	Ecclesiastical, Political, etc.		....	627—647
	TOTAL		26,08,48,000	
	B.—Expenditure charged to Capital.			
85	Capital outlay on Security Printing		1,72,000	648
86	Irrigation	Construction of Irrigation Works.	1,000	649—651
87	Indian Posts and Telegraphs	Capital outlay on Posts and Telegraphs.	60,89,000	652
88	Indo-European Telegraphs		1,000	653
89	Capital outlay on Vizagapatam Harbour		48,70,000	654
90	Commuted value of Pensions	Superannuation Allowances and Pensions.	20,00,000	655
91	New Capital at Delhi	Initial Expenditure on New Capital at Delhi.	97,48,000	656—663
	TOTAL		2,28,81,000	
	C.—Disbursements of Loans and Advances.			
92	Interest-free advances		1,02,85,000	664—665
93	Loans and advances bearing interest		9,05,72,000	666—668
	TOTAL		10,08,57,000	
	GRAND TOTAL		38,45,86,000	

Declaration by the Governor General in Council under Section 67-A(7) of the Government of India Act regarding certain demands refused by the Assembly.

IN pursuance of Section 67-A(7) of the Government of India Act, the Governor-General in Council is pleased to declare that the following demands which have been refused by the Legislative Assembly are essential to the discharge of his responsibilities :—

Demand.	Amount.
	Rs.
1.—Railway Board	9,68,000
4.—Working Expenses—Administration	20,00,000

A. C. McWATTERS,

Secretary to the Government of India.

The 25th March 1926.

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

Delhi, the 3rd April 1926.

The following Act of the Indian Legislature received the assent of the Governor General on the 25th March, 1926, and is hereby promulgated for general information :—

ACT NO. XIX OF 1926.

An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to repeal the Cotton Duties Act, 1896, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, to fix rates of income-tax, and to provide for the appropriation of certain monies for the purpose of the reduction or avoidance of public debt.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to repeal the Cotton Duties Act, 1896, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, to fix rates of income-tax, and to provide for the appropriation of certain monies for the purpose of the reduction or avoidance of public debt; It is hereby enacted as follows :—

II of 1896. VI of 1898. X of 1923.

Short title, extent and duration.

1. (*1*) This Act may be called the Indian Finance Act, 1926.

(*2*) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) Sections 2 and 4 shall remain in force only up to the 31st day of March, 1927.

Fixation of salt duty.

2. The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the 1st day of April, 1926, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section. XII of 1882.

Repeal of Act II of 1896.

3. The Cotton Duties Act, 1896, is hereby repealed: II of 1896.

Provided that any person who hereafter exports by sea any goods on which duty has been paid under the said Act may apply, in the manner provided therein, for the repayment as drawback of the duty so paid, and the Customs-collector shall allow such drawback if he is satisfied that such person would have been entitled to receive payment thereof if the said Act had not been repealed.

Postal rates.

4. With effect from the 1st day of April, 1926, the schedule contained in the First Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. VI of 1898.

Amendment of Act X of 1923.

5. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1926" the figures "1927" shall be substituted. X of 1923.

Income-tax and super-tax.

6. (1) Income-tax for the year beginning on the 1st day of April, 1926, shall be charged at the rates specified in Part I of the Second Schedule.

(2) The rates of super-tax for the year beginning on the 1st day of April, 1926, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Second Schedule. XI of 1922.

(3) For the purposes of the Second Schedule, "total income" means total income as determined, for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922. 2291 fo IX

Appropriation of share of Dawes annuities to reduction or avoidance of debt.

7. The balance of all monies accruing to the Governor General in Council after the 31st day of March, 1926, as the share of British India in the annuities payable by Germany under the agreement between the Allied Governments and the German Government signed at London on the 30th day of August, 1924, which remains after payment out of such monies of such amounts as may be payable to local authorities or other persons by way of reparation for loss or damage due to enemy action in the late war, shall be appropriated and applied for the purpose of the reduction or avoidance of public debt.

SCHEDULE I.

Schedule to be inserted in the Indian Post Office Act, 1898.

[*See section 4.*]

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

[*See section 7.*]

Letters.

For a weight not exceeding two and a half tolas	One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas.	One anna.

Postcards.

Single	Half an anna.
Reply	One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof	Half an anna.

Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas."

SCHEDULE II.

[*See section 6.*]

PART I.

Rates of Income-tax.

	Rate.
A. In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(1) When the total income is less than Rs. 2,000	*Nil.*
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.	Five pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	Six pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 20,000.	Nine pies in the rupee.
(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	One anna in the rupee.
(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and three pies in the rupee.
(7) When the total income is Rs. 40,000 or upwards	One anna and six pies in the rupee.
B. In the case of every company and registered firm, whatever its total income.	One anna and six pies in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over fifty thousand rupees of total income:—

	Rate
(1) in the case of every company	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first twenty-five thousand rupees of the excess.	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess.	One anna in the rupee.
(*b*) in the case of every individual, unregistered firm and other association of individuals not being a registered firm or a company, for every rupee of the first fifty thousand rupees of such excess.	One anna in the rupee.
(*c*) in the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(*i*) for every rupee of the second fifty thousand rupees of such excess.	One and a half annas in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess.	Two annas in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess.	Two and a half annas in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess.	Three annas in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess.	Three and a half annas in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess.	Four annas in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess.	Four and a half annas in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess.	Five annas in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess.	Five and a half annas in the rupee.
(*x*) for every rupee of the remainder of the excess . .	Six annas in the rupee.

L. GRAHAM,
Secy. to the Govt. of India.

No. 3503-F.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

Delhi, the 25th March 1926.

RESOLUTION.

THE statements relating to the Revised estimates for 1925-26 and the Budget estimates for 1926-27, which were presented to the Legislative Assembly and the Council of State on the 18th February and the 1st March 1926, have now been reconsidered with reference to the reductions made by the Legislative Assembly in the demands for grants, and the action taken by the Governor-General in Council in respect to certain demands refused by the Assembly. Certain alterations in the Ways and Means portion of the estimates have also been made in the light of more recent information. The revised statements are now published for general information.

2. The following reductions were made by the Legislative Assembly in the demands presented to them:—

Demand.	Amount.
	Rs.
1925-26.	
49.—Archæology	50,00,000
1926-27.	
1.—Railway Board	9,68,000
4.—Working Expenses—Administration	20,01,200

Of the demands for the year 1926-27, the Governor-General in Council has, under Section 67-A(7) of the Government of India Act, decided that the whole amount reduced under Demand No. 1 and Rs. 20 lakhs out of the amount reduced under Demand No. 4 are essential to the discharge of his responsibilities.

3. The estimates of revenue and expenditure now stand as follows:—

	Revised, 1925-26.	Budget, 1926-27.
	Rs.	Rs.
Revenue	1,31,35,25,000	1,30,42,97,200
Expenditure charged to Revenue .	1,30,04,87,000	1,30,37,66,200
Surplus	1,30,38,000	5,31,000

4. As regards the Ways and Means position, apart from the increased surplus in 1925-26 due to the abandonment of the proposed endowment for the Archæological Fund, the balance at the close of the year in India will be increased owing to the demand for trade remittances to England having been less than anticipated. The amount of remittances from India in the current year to the Home Treasury was estimated at £50 million including £9 million on account of the Paper Currency Reserve. The present estimate is about £3¾ millions lower. One of the results of this is that, in order to enable the Secretary of State to have an adequate

closing balance for 1926-27, it will be necessary to remit home next year a larger amount than previously anticipated. The total remittances required in 1926-27 are now estimated at £29,500,000. The net receipts from Cash Certificates in February 1926 have been unusually high and the total for the year is now expected to be about Rs. 7 crores. The latest information available also indicates the possibility of further reductions in the requirements of Provincial Governments. As a result of these and other changes, the closing balance of the year is now estimated at Rs. 22·88 crores in India and £14·49 million in England.

5. Taking the two years 1925-26 and 1926-27 together, the present estimates show an improvement of about Rs. 2¾ crores over the earlier estimates presented to the Legislature. The closing balance on the 31st March 1927 is taken as Rs. 15·62 crores in India and £5·54 million in England.

A. C. McWATTERS,

Secretary to the Government of India.

Budget

of the

Government of India,

March 1926.

ACCOUNTS	1924-25
REVISED ESTIMATES	1925-26
BUDGET ESTIMATES	1926-27

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O

I.—General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1924-25.	Budget Estimate, 1925-26.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
		Rs.	Rs.	Rs.	Rs.
Revenue—					
Principal Heads of Revenue—					
Customs	A	45,75,31,516	46,35,00,000	46,84,57,000	46,40,00,000
Taxes on Income	,,	16,01,48,253	17,34,87,000	16,24,69,000	16,14,67,000
Salt	,,	7,39,04,860	6,95,00,000	6,40,00,000	6,90,00,000
Opium	,,	3,79,76,177	3,55,85,000	4,39,00,000	3,80,00,000
Other Heads	,,	2,06,93,150	2,33,14,000	2,19,05,000	2,25,43,000
TOTAL PRINCIPAL HEADS		75,02,53,956	76,43,86,000	76,07,31,000	75,50,10,000
Railways: Net Receipt (as per Railway Budget)		37,22,94,697	33,89,44,000	33,76,91,000	35,44,33,000
Irrigation: Net Receipts	A.	10,91,923	10,42,000	11,00,000	8,21,000
Posts and Telegraphs: Net Receipts	,,	1,11,25,087	68,11,000	68,38,000	45,52,000
Interest Receipts	,,	3,41,00,265	3,60,44,000	4,03,19,000	3,47,11,000
Civil Administration	,,	73,97,533	72,60,000	83,10,000	77,86,000
Currency and Mint	,,	3,99,32,894	4,08,07,000	4,61,55,000	4,29,68,000
Civil Works	,,	13,21,263	10,18,000	11,62,000	9,98,000
Miscellaneous	,,	45,89,671	43,21,000	42,57,000	39,27,000
Military Receipts	,,	4,03,11,659	4,01,17,000	3,85,89,000	4,29,79,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments	,,	9,25,20,938	6,23,14,000	6,24,26,000	5,45,12,000
Extraordinary Items	,,	2,54,52,356	38,33,000	50,47,000	16,00,000
TOTAL REVENUE		1,38,03,92,344	1,30,67,97,000	1,31,35,25,000	1,30,42,97,000
DEFICIT		...	...	...	...
TOTAL		1,38,03,92,244	1,30,67,97,000	1,31,35,25,000	1,30,42,97,000

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT;
The 25th March 1926.

Revenue of the Central Government, in India and in England.

	For details, *vide* Statement.	Accounts, 1924-25.	Budget Estimate, 1925-26.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
Expenditure—		Rs.	Rs.	Rs.	Rs.
Direct Demands on the Revenues	B	5,37,02,291	5,28,91,000	5,53,85,000	5,00,14,000
Salt and other Capital outlay charged to Revenue	,,	17,31,744	33,03,000	10,44,000	10,20,000
Railways : Interest and Miscellaneous Charges (as per Railway Budget)	,,	30,44,53,015	28,65,58,000	28,44,0 ',000	29,43,46,000
Irrigation	,,	22,36,290	17,79,000	20,38,000	17,34,000
Posts and Telegraphs	,,	30,67,854	—28,17,000	—1,04,53,000	80,01,000
Debt Services	,,	18,68,32,857	18,18,00,000	18,54,30,000	17,51,76,000
Civil Administration	,,	10,12,59,043	10,07,98,000	10,75,27,000	11,45,30,000
Currency and Mint	,,	71,41,079	73,47,000	71,94,000	78,24,000
Civil Works	,,	1,77,72,875	1,68,47,000	1,72,43,000	1,80,11,000
Miscellaneous	,,	4,35,31,861	4,01,91,000	4,51,88,000	3,93,31,000
Military Services	,,	59,66,51,877	60,26,17,000	60,13,89,000	59,17,79,000
Miscellaneous adjustments between the Central and Provincial Governments	,,	50,74,125	15,74,000	14,33,000	6,00,000
Extraordinary Items	,,	1,01,635	25,00,000	25,77,000	5,00,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,32,35,66,546	1,30,43,54,000	1,30,04,87,000	1,30,37,67,000
SURPLUS		5,68,25,698	24,13,000	1,30,38,000	5,31,000
TOTAL		1,38,03,92,244	1,30,67,97,000	1,31,35,25,000	1,30,42,97,000

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts.			
		Accounts, 1924-25.	Budget Estimate, 1925-26.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
		Rs.	Rs.	Rs.	Rs.
Surplus	C	5,68,25,698	24,13,000	1,30,38,000	5,31,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards outlay on State Railways (as per Railway Budget)		14,04,878	—4,84,63,000	97,49,000	2,95,19,000
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	C	11,74,76,934	8,95,14,000	...	...
Unfunded Debt (net incurred)	,,	8,96,12,039	9,80,21,000	12,75,77,000	9,58,16,000
Deposits and Advances (net)	,,	—6,72,93,030	8,81,41,000	9,71,05,000	7,01,96,000
Railway Depreciation and Reserve Funds as per Railway Budget (net)	,,	9,05,76,991	4,51,94,000	6,03,41,000	5,25,07,000
Remittances (net)	,,	1,13,35,974	...	17,000	...
Balances of Provincial Governments (net)	,,	2,04,95,115	31,82,000	2,45,93,000	19,000
TOTAL DEBT, DEPOSITS AND ADVANCES	...	26,82,03,933	32,40,52,000	31,56,33,000	21,85,48,000
TOTAL RECEIPTS	...	32,64,34,509	27,80,02,000	33,84,20,000	24,85,98,000
Opening Balance—India	...	31,13,62,292	24,26,92,292	31,73,60,743	22,88,39,743
England	...	10,38,42,476	11,86,63,476	13,51,68,257	14,49,33,257
TOTAL	...	74,16,39,277	63,93,57,768	79,09,49,000	62,23,71,000

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT;
The 25th March 1926.

. Central Government, in India and in England.

	For details, *vide* Statement.	Disbursements.			
		Accounts, 1924-25.	Budget Estimate, 1925-26.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
		Rs.	Rs.	Rs.	Rs.
Deficit	C	...	...	...	...
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—					
Construction of State Railways (as per Railway Budget)		13,45,98,356	23,00,00,000	19,50,00,000	26,00,00,000
Discharge of Debentures (as per Railway Budget)		63,31,216	...	1,06,58,000	3,61,85,000
Redemption of liabilities involved in the purchase of Railways (as per Railway Budget)		...	3,43,33,000	3,41,55,000	...
Construction of Irrigation Works		95,898	27,000	—1,16,000	—55,000
Capital outlay on Posts and Telegraphs		1,17,55,881	2,13,53,000	2,28,92,000	59,32,000
Capital outlay on Vizagapatam Harbour		...	...	66,20,000	48,70,000
Payment of commuted value of pensions		...	...	...	35,00,000
Initial expenditure on new Capital at Delhi		1,42,18,868	1,55,00,000	1,35,00,000	1,00,50,000
Capital outlay on Security Printing		...	...	16,84,000	1,72,000
Total Capital Account Disbursements		16,70,00,219	30,12,13,000	28,43,94,000	32,06,54,000
Debt, Deposits and Advances—					
Permanent Debt (net discharged)	C	...	...	3,97,60,000	89,17,000
Floating Debt (net discharged)	,,	2,11,80,000	...	40,000	...
Loans and Advances by Central Government (net Advances)	,,	1,22,69,059	14,79,30,000	9,20,82,000	8,06,23,000
Loans between Central and Provincial Governments (net Advances)	,,	8,80,60,999	...	...	...
Remittances (net)	,,	...	9,65,000	...	5,48,000
Total Debt, Deposits and Advances	...	12,21,10,058	14,88,95,000	13,27,82,000	9,00,88,000
Total Disbursements	...	28,91,10,277	45,01,08,000	41,71,76,000	41,07,42,000
Closing Balance—India	...	31,73,60,743	13,13,48,292	22,88,39,743	15,61,98,743
England	...	13,51,68,257	5,79,01,476	14,49,33,257	5,54,30,257
TOTAL	...	74,16,39,277	63,93,57,768	79,09,49,000	62,23,71,000

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

A.—Statement of the Revenue of the Central

Heads of Revenue.	Accounts, 1924-25.				Revised Estimate,		Item No.
	India.	* England.	Exchange.	Total.	India.	* England.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Principal Heads of Revenue—							
I.—Customs	45,75,31,516	...	...	45,75,31,516	46,84,57,000	...	1
II.—Taxes on Income	16,03,09,947	—1,20,587	—41,107	16,01,48,253	16,30,00,000	—4,00,000	2
III.—Salt	7,39,04,860	...	...	7,39,04,860	6,40,00,000	...	3
IV.—Opium	3,79,76,177	...	...	3,79,76,177	4,39,00,000	...	4
V.—Land Revenue	37,80,748	...	...	37,80,748	39,17,000	...	5
VI.—Excise	41,99,239	...	...	41,99,239	47,48,000	...	6
VII.—Stamps—							
A.—Non-Judicial	8,79,903	...	...	8,79,903	8,42,000	...	7
B.—Judicial	18,69,786	...	...	18,69,786	19,05,000	...	8
VIII.—Forest	16,14,698	...	...	16,14,698	19,52,000	...	9
IX.—Registration	1,64,392	...	...	1,64,392	1,65,000	...	10
X.—Tributes from Indian States	82,44,384	...	...	82,44,384	88,76,000	...	11
Total	75,04,15,650	—1,20,587	—41,107	75,02,53,956	76,12,62,000	—4,00,000	12
Irrigation, etc.—							
XIII.—Works for which Capital accounts are kept—Gross Receipts	18,03,232	...	...	18,03,232	19,35,000	...	13
Deduct—Working Expenses	*7,15,961*	...	...	*7,15,961*	*8,42,000*	...	14
Net Receipts	10,87,271	...	...	10,87,271	10,93,000	...	15
XIV.—Works for which no Capital accounts are kept	4,654	...	...	4,654	7,000	...	16
Total	10,91,925	...	...	10,91,925	11,00,000	...	17
Posts and Telegraphs—							
XV.—Posts and Telegraphs—Indian Postal and Telegraph Department—Gross Receipts	9,97,28,488	...	...	9,97,28,488	10,23,47,000	...	18
Deduct—Working Expenses	*8,82,00,884*	*10,92,949*	*4,09,045*	*8,97,02,878*	*9,47,53,000*	*6,88,000*	19
Net Receipts	1,15,27,604	—10,92,949	—4,09,045	1,00,25,610	75,94,000	—6,88,000	20
Indo-European Telegraph Department—Gross Receipts	29,37,518	8,27,388	3,06,350	40,71,256	23,75,000	10,40,000	21
Deduct—Working Expenses	*28,77,185*	*68,952*	*25,642*	*29,71,779*	*34,28,000*	*1,28,000*	22
Net Receipts	60,333	7,58,436	2,80,708	10,99,477	—10,53,000	9,12,000	23
Total	1,15,87,937	—3,34,513	—1,28,337	1,11,25,087	65,41,000	2,24,000	24
Debt Services—							
XVI.—Interest	92,24,148	1,82,97,944	65,78,173	3,41,00,265	87,33,000	2,38,13,000	25
Carried over	77,23,19,660	1,78,42,844	64,08,729	79,65,71,233	77,76,36,000	2,36,37,000	26

* Sterling converted into Rupees at £1 =Rs. 10.

Government, in India and in England.

Item No.	1925-26. Exchange.	1925-26. Total.	Increase (+) Decrease (—) as compared with Budget, 1925-26.	Budget Estimate, 1926-27. India.	England.	Exchange.	Total.	Increase (+) Decrease (—) as compared with Revised, 1925-26.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	...	40,84,57,000	+49,57,000	40,40,00,000	...	...	40,40,00,000	—44,57,000
2	—1,31,000	16,24,69,000	—1,10,18,000	10,20,00,000	—4,00,000	—1,33,000	10,14,67,000	—10,02,000
3	...	6,40,00,000	—55,00,000	6,90,00,000	...	...	6,90,00,000	+50,00,000
4	...	4,30,00,000	+83,15,000	3,80,00,000	...	...	3,80,00,000	—50,00,000
5	...	3,17,000	+73,000	39,03,000	...	...	39,03,000	—14,000
6	...	47,48,000	+3,25,000	46,60,000	...	...	46,60,000	—88,000
7	...	8,42,000	—10,000	8,44,000	...	...	8,44,000	+2,000
8	...	19,05,000	+49,000	19,03,000	...	...	19,03,000	—2,000
9	...	19,52,000	—6,96,000	26,75,000	...	...	26,75,000	+7,23,000
10	...	1,65,000	+2,000	1,64,000	...	...	1,64,000	—1,000
11	...	83,76,000	—1,43,000	83,94,000	...	...	83,94,000	+18,000
12	—1,31,000	76,07,31,000	—36,55,000	75,55,43,000	—4,00,000	—1,33,000	75,50,10,000	—57,21,000
13	...	19,35,000	—1,22,000	20,18,000	...	...	20,18,000	+83,000
14	...	8,42,000	+1,80,000	12,02,000	...	...	12,02,000	—3,40,000
15	...	10,93,000	+58,000	8,16,000	...	...	8,16,000	—2,77,000
16	...	7,000	...	5,000	...	...	5,000	—2,000
17	...	11,00,000	+58,000	8,21,000	...	...	8,21,000	—2,79,000
18	...	10,23,47,000	—17,85,000	10,04,65,000	...	...	10,04,65,000	+41,18,000
19	2,25,000	9,56,66,000	+19,26,000	10,09,25,000	5,66,000	1,89,000	10,17,50,000	—60,84,000
20	—2,25,000	66,81,000	+1,41,000	54,70,000	—5,66,000	—1,50,000	47,15,000	—19,66,000
21	3,40,000	37,55,000	—2,75,000	23,64,000	7,80,000	2,60,000	34,04,000	—3,51,000
22	42,000	35,98,000	+1,01,000	34,09,000	1,18,000	40,000	35,67,000	+31,000
23	2,98,000	1,57,000	—1,14,000	—10,45,000	6,62,000	2,20,000	—1,63,000	—3,20,000
24	73,000	68,38,000	+37,000	44,25,000	96,000	31,000	45,52,000	—22,86,000
25	77,73,000	4,03,19,000	+42,75,000	74,41,000	2,04,53,000	68,17,000	3,47,11,000	—56,08,000
26	77,15,000	80,89,88,000	+7,05,000	76,82,30,000	—2,01,40,000	67,15,000	79,50,94,000	—1,38,94,000

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	Accounts, 1924-25.				Revised Estimate,		Item No.
	India.	England.	Exchange.	Total.	India.	England.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	77,23,19,660	1,78,42,844	64,08,729	79,65,71,233	77,76,36,000	2,36,37,000	
Civil Administration—							
XVII.—Administration of Justice	4,16,658	...	...	4,16,658	3,33,000	...	1
XVIII.—Jails and Convict Settlements	6,93,123	...	...	6,93,123	6,58,000	...	2
XIX.—Police	75,826	...	...	75,826	71,000	...	3
XX.—Ports and Pilotage	24,46,437	...	...	24,46,437	24,65,000	...	4
XXI.—Education	1,60,826	...	...	1,60,826	1,36,000	...	5
XXII.—Medical	2,11,351	...	...	2,11,351	1,63,000	...	6
XXIII.—Public Health	1,52,936	...	...	1,52,936	1,45,000	...	7
XXIV.—Agriculture	10,98,121	...	...	10,98,121	19,22,000	...	8
XXV.—Industries	2,604	...	...	2,604	...	...	9
XXVI.—Miscellaneous Departments	21,39,651	...	...	21,39,651	24,22,000	...	10
XXVIA.—Receipts of the Indian Stores Department	...	...	...	...	...	...	11
Total	73,97,533	...	...	73,97,533	83,10,000	...	12
Currency and Mint—							
XXVII.—Currency	2,86,55,827	51,95,660	19,03,885	3,57,55,372	3,05,88,000	93,00,000	13
XXVIII.—Mint	41,77,483	29	10	41,77,522	32,30,000	1,000	14
Total	3,28,33,310	51,95,689	19,03,895	3,99,32,894	3,38,18,000	93,01,000	15
Civil Works—							
XXX.—Civil Works	13,21,263	...	...	13,21,263	11,62,000	...	16
Miscellaneous—							
XXXIII.—Receipts in aid of Superannuation	...	...				...	
	17,19,642	3,72,624	1,39,431	22,31,697	19,79,000	3,54,000	17
XXXIV.—Stationery and Printing	11,88,508	6,573	3,364	12,00,445	9,37,000	6,000	18
XXXV.—Miscellaneous	7,04,275	3,35,676	1,17,578	11,57,529	3,63,000	3,77,000	19
Total	36,12,425	7,16,873	2,60,373	45,89,671	32,79,000	7,37,000	20
Military Receipts—	...	...				...	
XXXVI.—Army—							
Effective	2,78,35,502	36,41,413	13,50,179	3,28,27,093	2,33,67,000	26,27,000	21
Non-effective	15,95,025	10,91,490	4,04,060	30,90,575	11,46,000	6,40,000	22
	2,94,30,527	47,32,902	17,54,239	3,59,17,668	2,45,13,000	32,67,000	23
XXXVII.—Marine	11,12,931	...	...	11,12,931	12,82,000	...	24
XXXVIII.—Military Engineer Services	32,81,060	...	...	32,81,060	84,61,000	...	25
Total	3,38,24,518	47,32,902	17,54,239	4,03,11,659	3,42,56,000	32,67,000	26
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—							
XXXIX.—Contributions to the Central Government by Provincial Governments	9,20,12,000	...	...	9,20,12,000	6,20,12,000	...	27
XXXIXA.—Miscellaneous adjustments between the Central and Provincial Governments	5,08,938	...	...	5,08,938	4,14,000	...	28
Total	9,25,20,938	...	...	9,25,20,938	6,24,26,000	...	29
Extraordinary Items—							
XL.—Extraordinary Receipts	89,914	1,89,55,784	64,06,658	2,54,52,356	28,000	44,62,000	30
Railway Revenues as per Railway Budget	36,90,79,687	23,48,599	8,66,488	37,22,94,697	33,56,91,000	15,08,000	31
TOTAL REVENUE	1,31,29,99,248	4,97,93,614	1,76,00,382	1,38,03,93,244	1,25,66,06,000	4,29,12,000	32

* Sterling converted into Rupees at £1 = Rs. 10.

Government, in India and in England—*contd.*

Item No.	1925-26. Exchange.	1925-26. Total.	Increase (+) Decrease (−) as compared with Budget, 1925-26.	Budget Estimate, 1926-27. India.	England.	Exchange.	Total.	Increase (+) Decrease (−) as compared with Revised, 1925-26.
	Rs. 77,15,000	Rs. 80,89,88,000	Rs. +7,05,000	Rs. 76,82,30,000	Rs. 3,01,49,000	Rs. 67,15,000	Rs. 79,50,94,000	Rs. −1,38,94,000
1	...	3,33,000	−1,08,000	3,33,000	...	...	3,33,000	...
2	...	6,53,000	+64,000	4,01,000	...	...	4,01,000	−2,52,000
3	...	71,000	−17,000	71,000	...	...	71,000	...
4	...	24,65,000	+41,000	24,90,000	...	...	24,90,000	+25,000
5	...	1,36,000	+8,000	1,92,000	...	...	1,92,000	+56,000
6	...	1,63,000	+42,000	1,28,000	...	...	1,28,000	−35,000
7	...	1,45,000	−35,000	1,46,000	...	...	1,46,000	+1,000
8	...	19,22,000	+9,70,000	15,98,000	...	...	15,98,000	−3,24,000
9	...	...	...	...	...	...	...	...
10	...	24,22,000	+85,000	12,27,000	...	...	12,27,000	−11,95,000
11	...	...	...	12,00,000	...	...	13,00,000	+12,00,000
12	...	83,10,000	+10,50,000	77,86,000	...	...	77,86,000	−5,24,000
13	30,36,000	4,20,24,000	+46,49,000	2,91,12,000	85,00,000	38,34,000	4,04,46,000	−24,78,000
14	...	32,31,000	+6,99,000	25,21,000	1,000	...	25,22,000	−7,09,000
15	30,36,000	4,01,55,000	+53,48,000	3,16,33,000	85,01,000	28,34,000	4,29,68,000	−31,87,000
16	...	11,02,000	+1,44,000	9,98,000	...	...	9,98,000	−1,04,000
17	1,16,000	24,49,000	+4,87,000	17,04,000	3,17,000	1,05,000	21,26,000	−3,23,000
18	2,000	9,45,000	−1,90,000	9,96,000	6,000	2,000	10,04,000	+59,000
19	1,23,000	8,63,000	−3,61,000	6,70,000	95,000	32,000	7,97,000	−66,000
20	2,41,000	42,57,000	−64,000	33,70,000	4,18,000	1,39,000	39,27,000	−3,30,000
21	8,57,000	2,68,51,000	−9,33,000	2,36,74,000	27,99,000	9,33,000	2,74,06,000	+5,55,000
22	2,09,000	19,95,000	−3,89,000	10,39,000	11,03,000	3,68,000	25,10,000	+5,15,000
23	10,66,000	2,88,46,000	−13,22,000	2,47,13,000	39,02,000	13,01,000	2,99,16,000	+10,70,000
24	...	12,82,000	+3,49,000	17,87,000	...	...	17,87,000	+5,05,000
25	...	84,61,000	−5,55,000	1,12,76,000	...	...	1,12,76,000	+28,15,000
26	10,66,000	3,85,89,000	−15,28,000	3,77,76,000	39,02,000	13,01,000	4,29,79,000	+43,90,000
27	...	6,20,12,000	...	5,45,12,000	...	...	5,45,12,000	−75,00,000
28	...	4,14,000	+2,12,000	... ...	... ...	... ...	...	−4,14,000
29	...	6,24,26,000	+2,12,000	5,45,12,000	...	...	5,45,12,000	−79,14,000
30	14,57,000	59,47,000	+21,14,000	... ...	12,00,000	4,00,000	16,00,000	−43,47,000
31	4,92,000	33,76,91,000	−12,53,000	35,32,89,000	8,58,000	2,86,000	35,44,33,000	+1,67,42,000
32	1,49,07,000	1,31,35,25,000	+67,28,000	1,25,75,94,000	3,50,28,000	1,16,75,000	1,30,42,97,000	−93,38,000

B.—Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE.	Accounts, 1924-25.				Revised	Item No.
	India.	England.	Exchange.	Total.	India.	
	Rs.	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenues						
1.—Customs	75,13,177	1,45,135	53,978	77,12,290	81,06,000	1
2.—Taxes on income	59,28,710	78,793	30,028	60,37,531	59,81,000	2
3.—Salt	1,19,33,072	68,132	24,516	1,20,20,720	1,31,10,000	3
4.—Opium	2,34,99,919	41,816	15,392	2,35,57,127	2,13,68,000	4
5.—Land Revenue	11,16,168	3,364	1,363	11,20,895	12,67,000	5
6.—Excise	2,26,072	1,665	559	2,28,296	11,19,000	6
7.—Stamps—						
A.—Non-Judicial B.—Judicial	—5,63,046	3,27,015	1,16,244	—1,19,787	—5,000	7
8.—Forest	28,16,965	2,18,835	80,366	31,16,166	28,14,000	8
9.—Registration	29,053	...	...	29,053	31,000	9
Total	5,[illegible]	[illegible]	3,22,146	5,37,02,291	5,37,91,000	10
Salt and other Capital outlay charged to Revenue—	...					
3A.—Capital outlay on Salt Works	7,19,588	...	...	7,19,588	10,44,000	11
7A.—Capital outlay on Security Printing Press	9,48,124	47,857	16,175	10,12,156	...	12
Total	16,67,712	[illegible]	16,175	17,31,744	10,44,000	13
Irrigation, etc., Revenue Account—						
14.—Works for which Capital accounts are kept—						
Interest on Debt	11,98,270	...	...	11,98,270	12,05,000	14
15.—Other Revenue Expenditure	8,75,777	49,827	19,877	9,45,481	6,19,000	15
Total	20,74,047	49,827	19,877	21,43,751	18,24,000	16
Irrigation, etc., Capital Account (charged to Revenue)—						
16.—Construction of Irrigation, etc., Works—						
Financed from Ordinary Revenues.	92,539	...	...	92,539	1,44,000	17
Posts and Telegraphs Revenue Account—						
17.—Posts and Telegraphs—						
Interest on Debt—						
Indian Postal and Telegraph Department	68,60,034	...	...	68,60,034	49,00,000	18
Indo-European Telegraph Department	...	...	...	...	4,26,000	19
Total	68,60,034	...	...	68,60,034	53,26,000	20
Posts and Telegraphs Capital Account (charged to Revenue)—						
18.—Capital outlay on Posts and Telegraphs—						
Indian Postal and Telegraph Department	—56,99,374	10,44,712	3,83,345	—42,71,317	—1,48,66,000	21
Indo-European Telegraph Department	—4,93,843	7,35,294	2,57,686	4,99,137	—11,50,000	22
Total	—61,93,217	17,80,006	6,41,031	—37,72,180	—1,60,16,000	23
Debt Services—						
19.—Interest on Ordinary Debt	20,30,19,869	12,55,60,303	4,70,22,579	37,56,02,751	30,66,80,000	24
Deduct—Amount chargeable to—						
Railways	*12,26,88,157*	*6,51,46,473*	*2,44,63,946*	*21,22,98,576*	*13,32,44,000*	25
Irrigation	*11,98,270*	...	...	*11,98,270*	*12,05,000*	26
Posts and Telegraphs	*68,60,034*	...	...	*68,60,034*	*53,26,000*	27
Other Commercial Departments	*3,01,437*	...	...	*3,01,437*	*6,50,000*	28
Provincial Governments	*4,21,54,712*	...	...	*4,21,54,712*	...	29
Provincial Loans Fund	...	...	...	...	*5,11,76,000*	30
Remainder chargeable to Ordinary Debt	2,96,17,259	6,04,13,830	2,25,58,633	11,27,89,722	1,50,79,000	31
20.—Interest on other Obligations	3,60,87,420	79,575	26,700	3,61,93,695	4,35,44,000	32
21.—Reduction or Avoidance of Debt	96,05,150	2,06,68,[illegible]99	75,65,291	3,78,39,440	4,97,36,000	33
Total	7,55,[illegible]9,829	8,11,[illegible]4	[illegible]1,50,724	18,68,22,857	10,53,59,000	34
Carried over	13,26,11,034	8,39,19,749	3,11,50,253	24,75,81,036	15,44,72,000	35

* Sterling converted into Rupees at £1 = Rs. 10.

of the Central Government, in India and in England.

Item No.	Estimate, 1925-26.			Increase (+) Decrease (—) as compared with Budget, 1925-26.	Budget Estimate, 1926-27.				Increase (+) Decrease (—) as compared with Revised, 1925-26.
	England.	Exchange.	Total.		India.	England.	Exchange.	Total.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	1,31,000	43,000	82,80,000	—1,49,000	83,55,000	1,45,000	49,000	85,48,000	+2,68,000
2	91,000	30,000	61,02,000	—5,54,000	66,60,000	85,000	29,000	67,73,000	+6,71,000
3	30,000	10,000	1,31,50,000	—4,87,000	1,32,76,000	54,000	18,000	1,33,48,000	+1,98,000
4	92,000	30,000	2,14,00,000	+34,61,000	1,53,69,000	54,000	18,000	1,54,41,000	—60,19,000
5	4,000	1,000	12,72,000	—1,66,000	18,43,000	13,000	4,000	13,60,000	+88,000
6	4,000	1,000	11,24,000	+6,85,000	10,42,000	4,000	1,000	10,47,000	—77,000
7	6,26,000	2,04,000	8,25,000	+17,000	—10,02,000	7,23,000	2,41,000	—38,000	—8,63,000
8	2,24,000	73,000	31,11,000	—3,07,000	32,19,000	2,12,000	71,000	35,02,000	+3,91,000
9	...	...	31,000	—6,000	33,000	...	...	33,000	+2,000
10	12,02,000	3,92,000	5,53,85,000	+34,94,000	4,82,94,000	12,90,000	4,30,000	5,00,14,000	—53,71,000
11	...	...	10,44,000	—4,49,000	10,20,000	...	...	10,20,000	—24,000
12	...	...	....	—18,00,000	...	...	...	...	...
13	...	...	10,44,000	—22,49,000	10,20,000	...	...	10,20,000	—24,000
14	...	...	12,05,000	—45,000	12,05,000	...	...	12,05,000	...
15	53,000	17,000	6,89,000	+3,50,000	3,80,000	64,000	21,000	4,71,000	—2,18,000
16	53,000	17,000	18,94,000	+3,05,000	15,91,000	64,000	21,000	16,76,000	—2,18,000
17	...	...	1,44,000	—16,000	68,000	...	...	68,000	—80,000
18	...	...	49,00,000	—17,00,000	57,00,000	...	...	57,00,000	+8,00,000
19	...	...	4,26,000	+60,000	5,10,000	...	...	5,10,000	+84,000
20	...	...	53,26,000	—16,40,000	62,10,000	...	...	62,10,000	+8,84,000
21	...	...	—1,48,66,000	—53,25,000	20,02,000	...	...	20,02,000	+1,68,68,000
22	1,79,000	58,000	—9,13,000	—6,71,000	3,86,000	3,000	1,000	3,89,000	+13,02,000
23	1,79,000	58,000	—1,57,79,000	—59,96,000	23,87,000	3,000	1,000	23,91,000	+1,81,70,000
24	13,07,04,000	4,26,65,000	38,00,49,000	—1,99,000	20,55,45,000	13,04,04,000	4,34,68,000	37,04,17,000	—6,32,000
25	*7,26,97,000*	*2,37,30,000*	*22,96,71,000*	+30,95,000	*14,47,30,000*	*7,48,18,000*	*2,47,73,000*	*24,38,21,000*	—1,41,50,000
26	...	...	*12,05,000*	+45,000	*12,05,000*	...	...	*12,05,000*	...
27	...	...	*63,26,000*	+16,40,000	*62,10,000*	...	...	*62,10,000*	—8,84,000
28	...	...	*6,50,000*	—8,12,000	*11,11,000*	...	...	*11,11,000*	—4,61,000
29	...	...	...	...	...	...	...	...	...
30	...	...	5,11,76,000	—16,42,000	*5,29,82,000*	...	...	*5,29,82,000*	—18,06,000
31	5,80,07,000	1,89,35,000	9,20,21,000	+35,27,000	—6,93,000	5,60,86,000	1,86,95,000	7,40,88,000	—1,79,33,000
32	97,000	32,000	4,36,73,000	+5,11,000	5,10,75,000	1,10 000	37,000	5,12,35,000	+75,52,000
33	...	...	4,97,36,000	—4,14,000	4,98,63,000	...	...	4,98,63,000	+1,27,000
34	5,81,04,000	1,89,67,000	18,54,80,000	+36,24,000	10,02,48,000	5,61,96,000	1,87,32,000	17,51,76,000	—1,02,54,000
35	5,95,38,000	1,94,34,000	23,34,44,000	—35,08,000	15,98,08,000	5,75,53,000	1,91,84,000	23,65,45,000	+31,01,000

B.—Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE.	ACCOUNTS, 1924-25. India.	England.	Exchange.	TOTAL.	REVISED India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	13,25,11,034	8,39,19,749	3,11,50,253	24,75,81,036	15,44,72,000	
Civil Administration—						
22.—General Administration—						
A.—Heads of Provinces including Governor General and Executive Councils					21,79,000	1
B.—Legislative Bodies					6,70,000	2
C.—Secretariat and Headquarters establishment	1,15,10,685	...	...	1,15,10,685	71,45,000	3
D.—Commissioners					...	4
E.—District Administration					17,59,000	5
F.—Home Administration, etc.	...	28,17,946	10,37,447	38,55,393	...	6
23.—Audit	75,11,088	2,99,159	75,327	77,95,574	80,15,000	7
24.—Administration of Justice	11,06,450	36,598	12,876	11,55,924	11,75,000	8
25.—Jails and Convict Settlements	35,97,517	34,866	12,940	36,45,325	35,14,000	9
26.—Police	91,76,215	1,26,546	47,142	93,49,903	92,51,000	10
27.—Ports and Pilotage	23,28,426	1,11,414	41,647	24,81,489	28,59,000	11
28.—Ecclesiastical	25,12,977	4,52,494	1,64,059	31,29,530	22,68,000	12
29.—Political	3,14,30,749	1,25,076	68,018	3,16,23,843	3,16,66,000	13
30.—Scientific Departments	69,01,067	5,95,432	2,13,177	76,09,676	73,46,000	14
31.—Education	30,88,828	58,563	22,155	31,69,546	34,19,000	15
33.—Medical	24,59,730	1,05,699	41,842	26,07,271	26,51,000	16
33.—Public Health	16,64,521	51,811	17,953	17,34,285	12,45,000	17
34.—Agriculture	28,77,923	1,20,386	44,713	30,43,022	25,93,000	18
35.—Industries	60,91,467	27,472	10,220	61,29,159	86,03,000	19
36.—Aviation	18,498	2,731	923	22,151	29,000	20
37.—Miscellaneous Departments	19,25,799	3,40,984	1,29,486	23,96,269	23,68,000	21
37-A.—Indian Stores Department	...	...	...	...	...	22
TOTAL	9,41,01,942	52,17,177	19,30,924	10,12,59,043	9,84,55,000	23
Currency and Mint—						
38.—Currency	27,25,211	21,89,180	8,34,315	57,48,706	29,42,000	24
39.—Mint	13,58,339	24,525	9,509	13,92,373	15,88,000	25
TOTAL	40,83,550	22,13,705	8,43,824	71,41,079	45,30,000	26
Civil Works—						
41.—Civil Works	1,76,57,819	84,222	30,834	1,77,72,875	1,70,31,000	27
Miscellaneous—						
43.—Famine Relief and Insurance—						
A.—Famine Relief	...	...	...	...	44,000	28
44.—Territorial and Political Pensions	29,71,302	1,32,888	45,335	31,39,525	29,08,000	29
45.—Superannuation Allowances and Pensions	21,9,992	1,92,47,083	71,66,671	2,86,03,746	38,15,000	30
46.—Stationery and Printing	25,34,885	7,33,517	2,65,698	35,34,100	28,83,000	31
47.—Miscellaneous	50,64,379	23,44,417	8,45,694	82,54,490	58,12,000	32
TOTAL	1,27,60,558	2,24,47,905	83,23,398	4,35,31,861	1,54,62,000	33
Military Services—						
48.—Army—						
Effective	37,48,42,794	6,13,81,504	2,24,93,532	45,87,17,830	38,53,53,000	34
Non-effective	3,73,52,575	3,68,58,484	1,37,27,191	8,79,38,250	3,74,05,000	35
	41,21,95,369	9,82,39,988	3,62,20,723	54,66,56,080	42,27,58,000	36
49.—Marine	44,09,872	21,93,396	8,08,449	74,10,717	46,05,000	37
50.—Military Engineer Services	4,18,59,921	5,30,287	1,94,872	4,25,85,080	4,16,10,000	38
TOTAL	45,84,65,162	10,09,63,671	3,72,24,044	59,66,51,877	46,89,53,000	39
Contributions and miscellaneous adjustments between Central and Provincial Governments—						
51-A.—Miscellaneous adjustments between the Central and Provincial Governments.	50,74,125	...	...	50,74,125	14,32,000	40
Extraordinary Items—					...	
52.—Extraordinary Payments	1,01,635	...	...	1,01,635	25,77,000	41
Railway Expenditure as per Railway Budget	18,60,51,342	8,60,89,131	3,23,12,542	30,44,53,015	16,87,28,000	42
TOTAL EXPENDITURE CHARGED TO REVENUE	91,08,07,167	30,09,34,560	11,18,24,819	1,32,35,66,546	93,16,40,000	43

* Sterling converted into Rupees at £1 = Rs. 10.

. of the Central Government, in India and in England—contd.

Item No.	Estimate, 1925-26.			Increase (+) Decrease (—) as compared with Budget, 1925-26.	Budget Estimate, 1926-27.				Increase (+) Decrease (—) as compared with Revised, 1925-26.
	* England.	Exchange.	Total.		India.	* England.	Exchange.	Total.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	5,95,38,000	1,94,34,000	23,34,44,000	—36,08,000	15,98,08,000	5,75,53,000	1,91,84,000	23,05,45,000	+31,01,000
1	...	...	21,79,000	—25,000	21,29,000	...	...	21,29,000	—50,000
2	...	...	6,70,000	—51,000	6,73,000	...	...	6,73,000	+3,000
3	...	...	71,45,000	—3,73,000	87,43,000	...	...	87,43,000	+15,98,000
4	...	...	...	...	...	...	...	...	...
5	...	...	17,59,000	—19,000	18,46,000	...	...	18,46,000	+87,000
6	28,06,000	9,16,000	37,22,000	—6,59,000	...	30,66,000	10,32,000	40,88,000	+3,66,000
7	2,87,000	94,000	83,96,000	—4,65,000	81,07,000	3,14,000	1,05,000	85,26,000	+1,30,000
8	97,000	32,000	13,04,000	+14,000	14,40,000	88,000	30,000	15,58,000	+2,54,000
9	49,000	10,000	35,79,000	—3,52,000	36,61,000	52,000	17,000	37,30,000	+1,51,000
10	2,38,000	78,000	95,67,000	—1,10,000	94,44,000	2,00,000	67,000	97,11,000	+1,44,000
11	3,39,000	1,11,000	33,09,000	+1,31,000	32,83,000	3,41,000	1,14,000	37,38,000	+4,29,000
12	7,25,000	2,37,000	33,30,000	—5,17,000	27,03,000	7,05,000	2,35,000	36,43,000	+4,13,000
13	9,67,000	3,15,000	3,39,48,000	—9,54,000	3,20,67,000	9,10,000	3,03,000	3,32,80,000	+3,32,000
14	6,76,000	2,20,000	82,43,000	+93,000	77,19,000	7,63,000	2,54,000	87,36,000	+4,94,000
15	68,000	22,000	32,09,000	—79,000	37,75,000	77,000	26,000	38,78,000	+6,69,000
16	1,91,000	62,000	29,04,000	—3,98,000	27,09,000	2,76,000	93,000	30,77,000	+1,73,000
17	57,000	19,000	13,21,000	+9,000	18,50,000	58,000	19,000	19,27,000	+6,06,000
18	1,16,000	38,000	27,47,000	—64,000	27,81,000	1,14,000	38,000	29,33,000	+1,86,000
19	28,000	9,000	86,40,000	+10,16,000	89,74,000	73,000	24,000	90,70,000	+4,30,000
20	3,000	1,000	53,000	—1,000	3,50,000	3,000	1,000	3,54,000	+3,21,000
21	1,92,000	63,000	26,23,000	—37,000	9,15,000	} 2,11,000	70,000	28,90,000	+2,67,000
22	...	...	...	...	16,94,000				
23	68,39,000	22,33,000	10,75,27,000	—22,71,000	10,48,63,000	72,50,000	24,17,000	11,45,30,000	+70,03,000
24	19,47,000	6,36,000	55,25,000	—1,08,000	30,65,000	22,78,000	7,59,000	61,02,000	+5,77,000
25	61,000	20,000	...16,60,000	—45,000	16,59,000	47,000	16,000	17,22,000	+53,000
26	20,08,000	6,56,000	71,94,000	—1,53,000	47,24,000	23,25,000	7,75,000	78,24,000	+6,30,000
27	1,60,000	52,000	1,72,43,000	+3,96,000	1,78,83,000	96,000	32,000	1,80,11,000	+7,68,000
28	...	...	44,000	+44,000	60,000	...	...	60,000	+16,000
29	1,06,000	35,000	30,49,000	—51,000	28,84,000	1,11,000	37,000	30,32,000	—17,000
30	1,34,72,000	63,56,000	2,96,43,000	+25,00,000	12,13,000	1,85,81,000	61,93,000	2,59,87,000	—36,56,000
31	11,59,000	3,78,000	44,20,000	+13,97,000	24,45,000	7,88,000	2,63,000	34,96,000	—9,24,000
32	16,74,000	5,46,000	80,32,000	+11,07,000	53,44,000	12,84,000	4,28,000	70,56,000	—9,76,000
33	2,24,11,000	73,15,000	4,51,88,000	+49,97,000	1,19,46,000	2,07,64,000	69,21,000	3,96,31,000	—55,57,000
34	6,60,24,000	2,15,51,000	47,29,08,000	+62,70,000	37,89,45,000	5,82,45,000	1,94,15,000	45,66,05,000	—1,63,03,000
35	3,15,69,000	1,03,05,000	7,92,79,000	—88,04,000	3,67,71,000	3,67,81,000	1,19,37,000	8,44,79,000	+52,00,000
36	9,75,93,000	3,18,56,000	55,21,87,000	—25,34,000	41,57,16,000	9,40,26,000	3,13,42,000	54,10,84,000	—1,11,03,000
37	19,12,000	6,24,000	71,41,000	—11,59,000	49,23,000	22,18,000	7,39,000	78,80,000	+7,39,000
38	3,40,000	1,11,000	4,26,61,000	+24,65,000	4,25,26,000	2,17,000	72,000	4,28,15,000	+7,54,000
39	9,98,45,000	3,25,91,000	60,13,89,000	—12,28,000	46,31,65,000	9,64,61,000	3,21,53,000	59,17,79,000	—96,10,000
40	...	...	14,32,000	—1,42,000	6,00,000	...	...	6,00,000	—8,32,000
41	...	...	25,77,000	+77,000	5,00,000	...	...	5,00,000	—20,77,000
42	8,72,76,000	2,84,89,000	28,44,93,000	—20,65,000	17,67,47,000	8,81,98,000	2,94,00,000	29,43,46,000	+98,53,000
43	27,80,77,000	9,07,70,000	1,30,54,87,000	—38,97,000	94,02,36,000	27,26,47,000	9,08,82,000	1,30,37,66,000	+32,79,000

C.—Statement of Receipts and Disbursements of the

	Accounts, 1924-25.		
	India.	England.	Total.
	Rs.	Rs.	Rs.
Revenue (from Statement A)	1,30,79,25,123	4,97,92,614	1,35,77,17,737
Exchange added to Revenue	1,76,00,382	...	1,76,00,382
Total	1,32,55,25,505	4,97,92,614	1,37,53,18,119
Railway Capital not charged to Revenue—			
As per Railway Budget	3,54,878	10,50,000	14,04,878
Public Debt Incurred—			
Permanent Debt—			
Sterling Debt—			
7 per cent. Stock	...	...	
5½ per cent. Stock	...	9,87,226	
4½ per cent. Stock	...	8,67,632	
Rupee Debt—			
New Rupee Loan	...	...	
5 per cent. Bonds, 1933	7,27,86,000	...	
5 per cent. Bonds, 1935	...	...	
5 per cent. Loan, 1945—55	5,93,36,500	...	
3½ per cent. Loans	...	...	
3 per cent. Loan	...	...	
Total	13,21,22,500	18,54,858	13,39,77,358
Floating Debt—			
Treasury Bills—			
Issued to Public	...	...	
Issued to Paper Currency Reserve	49,65,00,000	...	
Total	49,65,00,000	...	49,65,00,000
Carried over	1,95,45,02,883	5,26,97,472	

* Sterling converted into Rupees at £1 = Rs. 10.

Central Government, in India and in England.

Revised Estimate, 1925-26.			Budget Estimate, 1926-27.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,25,66,06,000	4,29,12,000	1,29,95,18,000	1,25,75,94,000	3,50,28,000	1,29,26,22,000
1,40,07,000	...	1,40,07,000	1,16,75,000	...	1,16,75,000
1,27,06,13,000	4,29,12,000	1,31,35,25,000	1,26,92,69,000	3,50,28,000	1,30,42,97,000
23,99,000	73,50,000	97,49,000	73,80,000	2,21,39,000	2,95,19,000
...	94,000		...	1,02,000	
...	10,50,000		...	11,16,000	
...	9,15,000		...	9,66,000	
...	...		22,00,00,000	...	
...	...		...	...	
4,72,66,000	...		...	...	
25,88,51,000	...		...	...	
3,60,000	...		3,00,000	...	
...	...		...	...	
30,64,77,000	20,59,000	30,85,36,000	22,03,00,000	21,84,000	22,24,84,000
...	...		...	...	
49,65,00,000	...		49,65,00,000	...	
49,65,00,000	...	49,65,00,000	49,65,00,000	...	49,65,00,000
2,07,59,89,000	5,23,21,000		1,99,34,49,000	5,93,51,000	

* Sterling converted into Rupees at £1 = Rs. 10.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1924-25.		
	India.	England.*	Total.
	Rs.	Rs.	Rs.
Brought forward	1,95,45,02,883	5,26,97,472	
Unfunded Debt—			
Deposits of Service Funds	11,31,691	2,14,992	
Post Office Cash Certificates	6,09,84,454	...	
Savings Bank Deposits	26,10,86,868	2,29,321	
Total	32,32,13,013	4,44,313	32,36,57,326
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	13,74,56,075	...	
Other Funds	8,06,89,250	...	
Sinking Funds for Central Loans	90,29,233	...	
Other appropriations for Reduction or Avoidance of Debt	7,74,150	...	
Sinking Fund Investment Account	35,82,697	...	
Sinking Funds for loans granted to local bodies	3,38,128	...	
Gold Standard Reserve	...	79,99,35,C14	
Paper Currency Reserve	...	70,66,30,534	
Deposits of Branch Line Companies	—13,36,666	...	
Posts and Telegraphs Depreciation Fund	...	...	
Provincial Loans Fund	...	...	
Departmental and Judicial Deposits	79,72,99,705	...	
Advances	17,89,42,516	55,43,430	
Suspense	2,69,48,773	2,22,57,725	
Exchange on Remittance Accounts	...	...	
Miscellaneous	1,35,05,285	39,39,472	
Total	1,24,72,30,146	1,53,83,46,175	2,78,55,76,321
Railway Depreciation and Reserve Funds as per Railway Budget	16,73,07,197	...	16,73,07,197
Carried over	3,69,22,53,239	1,59,14,87,960	

* Sterling converted into Rupees at £1 = Rs. 10.

Central Government, in India and in England—*contd.*

Revised Estimate, 1925-26.			Budget Estimate, 1926-27.		
India.	*England.	Total.	India.	*England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2,07,59,89,000	5,23,21,000		1,99,34,49,000	5,93,51,000	
11,28,000	2,56,000		11,20,000	2,45,000	
8,60,60,000	...		5,80,00,000	...	
28,30,00,000	3,00,000		28,03,66,000	3,00,000	
37,01,97,000	5,56,000	37,07,53,000	34,54,86,000	5,45,000	34,60,31,000
14,45,34,000	...		14,03,82,000	...	
8,77,66,000	...		8,66,32,000	...	
97,21,000	...		1,40,90,000	...	
4,00,15,000	...		3,62,50,000	...	
...	...		...	...	
3,52,000	...		3,66,000	...	
...	49,79,11,000		...	30,07,11,000	
...	1,04,64,23,000		...	1,19,98,96,000	
9,94,000	...		7,63,000	...	
32,84,000	...		36,84,000	...	
14,94,40,000	...		13,65,12,000	...	
93,96,66,000	...		92,12,16,000	...	
17,00,91,000	25,81,000		16,22,37,000	6,48,000	
11,11,06,000	1,63,37,000		1,66,53,000	1,68,77,000	
...	...		2,04,91,000	...	
19,14,000	33,39,000		50,000	14,01,000	
1,65,88,83,000	1,56,65,91,000	3,22,54,74,000	1,53,93,35,000	1,51,95,33,000	3,05,88,68,000
14,10,21,000	...	14,10,21,000	13,75,07,000	...	13,75,07,000
4,24,60,90,000	1,61,94,68,000		4,01,57,77,000	1,57,94,29,000	

* Sterling converted into Rupees at £1 = Rs. 10.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1924-25.		
	India.	England.	Total.
	Rs.	Rs.	Rs.
Brought forward	3,69,22,53,239	1,59,14,87,960	
Loans and Advances by the Central Government—			
Advances to the Provincial Loans Fund	...	...	
Other Loans and Advances	39,68,759	...	
Total	39,68,759	...	39,68,759
Loans between Central and Provincial Governments	1,28,38,501	...	1,28,38,501
Remittances—			
Remittances within India—			
Inland Money Order	87,62,46,429	...	
Other Local Remittances	...	...	
Other Departmental Accounts	34,53,796	...	
Net Receipts by Civil Treasuries from—			
Railways	21,57,43,756	...	
Posts and Telegraphs	3,38,00,849	...	
Net Receipts from Civil Treasuries by—			
Marine	37,94,582	...	
Army and Military Engineer Services	38,65,73,814	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	...	1,69,94,385	
Other transactions	1,81,90,136	2,88,43,092	
Remittances from India for financing Home Treasury	...	41,47,01,621	
Transfers through the Paper Currency Reserve	5,99,66,357	...	
Total	1,59,77,69,719	46,05,39,098	2,05,83,08,817
Balances of Provincial Governments	4,94,44,384	...	4,94,44,384
Total Receipts	5,35,62,74,602	2,05,20,27,058 (a)	
Opening Balance	31,13,62,292	10,38,42,476	
GRAND TOTAL	5,66,76,36,894	2,15,58,69,534	

* Sterling converted into Rupees at £1 = Rs. 10.

(a) Of this amount, Rs. 9,414 represents the funds of the Gold Standard Reserve.

Delhi,

Finance Department;

The 1st March 1926.

Central Government, in India and in England—*contd.*

Revised Estimate, 1925-26.			Budget Estimate, 1926-27.		
India.	*England.	Total.	India.	*England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4,24,60,90,000	1,61,94,68,000		4,01,57,77,000	1,57,94,29,000	
...	...		...	...	
82,65,000	...		99,49,000	...	
82,65,000	...	82,65,000	99,49,000	...	99,49,000
...	...	...	...	...	...
88,50,00,000	...		88,00,00,000	...	
6,82,000	...		5,60,000	...	
3,60,85,000	...		3,58,73,000	...	
26,03,43,000	...		25,01,59,000	...	
6,51,43,000	...		2,82,79,000	...	
40,10,000	...		38,31,000	...	
39,30,82,000	...		38,60,43,000	...	
...	1,98,30,000		...	1,95,00,000	
81,98,000	2,36,80,000		78,49,000	2,27,28,000	
...	46,31,70,000		...	29,50,00,000	
9,00,00,000	...		...	...	
1,74,25,43,000	50,66,80,000	2,24,92,23,000	1,59,25,94,000	33,72,28,000	1,92,98,22,000
5,24,88,000	...	5,24,88,000	2,83,63,000	...	2,83,63,000
6,04,93,86,000	2,12,61,48,000		5,64,66,83,000	1,91,66,57,000	
31,73,60,743	(*b*) 13,51,68,257		22,88,39,743	(*b*) 14,49,33,257	
6,36,67,46,743	2,26,13,16,257		5,87,55,22,743	2,06,15,90,257	

* Sterling converted into Rupees at £1 = Rs. 10.

(*b*) Of this amount, Rs. 31,860 represents the funds of the Gold Standard Reserve.

M. F. GAUNTLETT,
Auditor General.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1924-25.		
	India.	England.	Total.
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	90,57,33,042	30,09,34,560	1,20,66,67,602
Exchange charged as Expenditure	11,18,24,819	...	11,18,24,819
Total	1,01,75,57,861	30,09,34,560	1,31,84,92,421
Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—			
Construction of Irrigation Works	95,898	...	95,898
Capital outlay on Posts and Telegraphs	1,17,55,881	...	1,17,55,881
Capital outlay on Vizagapatam Harbour	...	...	...
Payment of Commuted value of Pensions	...	...	...
Initial Expenditure on new Capital at Delhi	1,37,89,407	4,29,461	1,42,18,868
Capital outlay on Security Printing	...	...	...
Railway Capital not charged to Revenue—			
As per Railway Budget	7,21,37,225	6,87,92,347	14,09,29,572
Public Debt Discharged—			
Permanent Debt—			
Sterling Debt—			
7 p. c. Stock	...	...	
State Railway annuities	...	...	
Do. Do. Sinking Funds	...	...	
Redemption of liabilities assumed in respect of British War Loan (1929-47)	...	...	
Rupee Debt—			
6 p. c. Bonds, 1926	...	...	
Do. Do. 1927	...	...	
5½ p. c. War Bonds, 1920	3,65,500	...	
Do. Do. 1921	3,56,475	...	
Do. Do. 1922	3,78,325	...	
Do. Do. 1923	3,61,375	...	
Do. Do. 1925	15,02,000	...	
5½ p. c. War Bonds, 1928	8,14,800	...	
5 p. c. War Loan, 1929-47	38,24,100	...	
Do. Loan, 1945-55	73,95,000	...	
4 p. c. Terminable Loan	11,62,300	...	
4 p. c. Gwalior Loan of 1887	2,00,000	...	
3½ p. c. Loans	6,749	...	
3 p. c. Loans	1,33,800	...	
Total	1,65,00,424	...	1,65,00,424
Carried over	1,13,18,36,696	37,01,56,368	

Central Government, in India and in England—*contd.*

Revised Estimate, 1925-26.			Budget Estimate, 1926-27.		
India:	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
93,16,40,000	27,80,77,000	1,20,97,17,000	94,02,37,000	27,26,47,000	1,21,28,84,000
9,07,70,000	...	9,07,70,000	9,08,82,000	...	9,08,82,000
1,02,24,10,000	27,80,77,000	1,30,04,87,000	1,03,11,19,000	27,26,47,000	1,30,37,66,000
—1,15,000	...	—1,15,000	—55,000	...	—55,000
2,17,76,000	11,16,000	2,28,92,000	45,11,000	14,21,000	59,32,000
58,20,000	8,00,000	66,20,000	38,60,000	10,10,000	48,70,000
...	...	...	35,00,000	...	35,00,000
1,32,02,000	2,98,000	1,35,00,000	93,44,000	7,06,000	1,00,50,000
13,21,000	3,63,000	16,84,000	50,000	1,22,000	1,72,000
12,94,78,000	11,03,35,000	23,98,13,000	15,58,61,000	14,03,24,000	29,61,85,000
...	...		...	99,91,000	
...	1,30,23,000		...	1,34,72,000	
...	36,41,000		...	20,00,000	
...	48,77,000		...	51,18,000	
17,84,40,000	...		19,90,00,000	...	
7,40,89,000	...		2,00,000	...	
2,00,000	...		1,50,000	...	
1,50,000	...		1,50,000	...	
1,70,000	...		90,000	...	
90,000	...		8,00,000	...	
3,44,81,000	...		...	...	
3,67,74,000	...		...	...	
9,54,000	...		...	...	
9,00,000	...		...	...	
80,000	...		80,000	...	
...	...		...	...	
7,000	...		...	...	
4,20,000	...		3,50,000	...	
32,67,55,000	2,15,41,000	34,82,96,000	20,08,20,000	3,05,81,000	23,14,01,000
1,52,06,47,000	41,25,30,000		1,40,90,10,000	44,68,11,000	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1924-25.		
	India.	England.	Total.
	Rs.	Rs.	Rs.
Brought forward	1,13,18,36,696	37,01,56,368	...
Floating Debt—			
Treasury Bills—			
Issued to Public	2,11,80,000	...	
Do. Paper Currency Reserve	49,65,00,000	...	
Total	51,76,80,000	...	51,76,80,000
Unfunded Debt—			
Special Loans	25,681	...	
Deposits of Service Funds	14,41,860	46,898	
Post Office Cash Certificates	1,40,31,736	...	
Savings Bank Deposits	21,83,94,656	1,04,456	
Total	23,38,93,933	1,51,354	23,40,45,287
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	13,74,67,048	...	
Other Funds	8,00,55,185	...	
Sinking Funds for Central Loans	1,25,71,832	...	
Sinking Fund Investment Account	...	...	
Gold Standard Reserve	...	79,99,12,568	
Paper Currency Reserve	...	70,66,30,534	
Deposits of Branch Line Companies	3,22,169	...	
Posts and Telegraphs Depreciation Fund	...	...	
Provincial Loans Fund	...	...	
Departmental and Judicial Deposits	80,76,99,081	...	
Advances	17,62,58,643	5,83,995	
Suspense	5,00,92,929	2,39,60,055	
Exchange on Remittance Accounts	3,14,51,376	...	
Miscellaneous	41,52,245	2,17,11,691	
Total	1,30,00,70,508	1,55,27,98,843	2,85,28,69,351
Railway Depreciation and Reserve Funds as per Railway Budget	7,67,30,296	...	7,67,30,296
Carried over	3,26,02,11,433	1,92,31,06,565	

Central Government, in India and in England—*contd.*

Revised Estimate, 1925-26.			Budget Estimate, 1926-27.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,52,06,47,000	41,25,30,000		1,40,90,10,000	44,68,11,000	
40,000	...		...	...	
49,65,00,000	...		49,65,00,000	...	
49,65,40,000	...	49,65,40,000	49,65,00,000	...	49,65,00,000
2,30,000	...		30,000	...	
14,89,000	27,000		14,79,000	27,000	
1,60,60,000	...		1,80,00,000	...	
22,52,70,000	1,00,000		23,05,79,000	1,00,000	
24,30,49,000	1,27,000	24,31,76,000	25,00,88,000	1,27,000	25,02,15,000
14,35,02,000	...		14,05,16,000	...	
8,48,17,000	...		8,65,80,000	...	
47,000	...		...	...	
97,23,000	...		1,40,90,000	...	
...	49,79,11,000		...	30,07,11,000	
...	1,04,64,23,000		...	1,19,98,96,000	
10,24,000	...		7,51,000	...	
...	...		49,000	...	
14,94,40,000	...		13,65,12,000	...	
93,42,26,000	...		91,79,61,000	...	
16,19,64,000	50,08,000		15,73,10,000	3,22,000	
1,86,83,000	1,63,37,000		1,55,46,000	1,68,77,000	
3,05,07,000	...		...	...	
1,12,87,000	84,70,000		...	15,51,000	
1,55,42,20,000	1,57,41,49,000	3,12,83,69,000	1,46,93,15,000	1,51,93,57,000	2,98,86,72,000
7,46,80,000	...	7,46,80,000	8,50,00,000	...	8,50,00,000
3,88,91,36,000	1,98,68,96,000		3,70,99,13,000	1,96,62,95,000	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1924-25.		
	India.	England.	Total.
	Rs.	Rs.	Rs.
Brought forward	3,26,02,11,433	1,92,31,06,565	
Loans and Advances by the Central Government—			
Advances to the Provincial Loans Fund	...	...	
Other Loans and Advances	1,62,37,818	...	
Total	1,62,37,818	...	1,62,37,818
Loans between Central and Provincial Governments	10,14,99,500	...	10,14,99,500
Remittances—			
Remittances within India—			
Inland Money Orders	87,58,21,484	...	
Other Local Remittances	4,81,141	...	
Other Departmental Accounts	2,37,287	...	
Net Payments into Civil Treasuries by—			
Railways	21,31,06,711	...	
Posts and Telegraphs	3,38,77,351	...	
Net Issues from Civil Treasuries to—			
Marine	39,56,870	...	
Army and Military Engineer Services	38,68,02,369	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	1,69,19,285	...	
Other transactions	2,64,23,281	1,46,79,086	
Remittances from India for financing Home Treasury	41,47,01,621	...	
Transfers through the Paper Currency Reserve	...	5,99,66,357	
Total	1,97,23,27,400	7,46,45,443	2,04,69,72,843
Balances of Provincial Governments	...	2,29,49,269	2,29,49,269
Total Disbursements	5,35,02,76,151	2,02,07,01,277 (b)	
Closing Balance	31,73,60,743	13,51,68,257	
GRAND TOTAL	5,66,76,36,894	2,15,58,69,534	

H. DENNING,
Controller of the Currency.

Central Government, in India and in England—*contd.*

Revised Estimate, 1925-26.			Budget Estimate, 1926-27.		
India.	England.	Total.	India.	England.	Total.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3,88,91,36,000	1,98,68,06,000		3,70,99,13,000	1,96,62,95,000	
7,95,93,000	...		7,00,29,000	...	
2,16,54,000	...		2,05,43,000	...	
10,12,47,000	...	10,12,47,000	9,05,72,000	...	9,05,72,000
...	...	...	...	...	
88,48,00,000	...		88,03,00,000	...	
7,96,000	...		6,70,000	...	
3,57,32,000	...		3,59,23,000	...	
26,03,43,000	...	...	25,01,59,000	...	
6,51,43,000	...		2,82,79,000	...	
40,10,000	...	...	38,31,000	...	
39,30,82,000	...		38,60,43,000	...	
1,98,30,000	...		1,95,00,000	...	
2,06,18,000	1,16,82,000		1,91,34,000	1,15,31,000	
46,31,70,000	...	...	29,50,00,000	...	
...	9,00,00,000	...	...	...	
2,14,75,24,000	10,16,82,000	2,24,92,06,000	1,91,88,39,000	1,15,31,000	1,93,03,70,000
...	2,78,95,000	2,78,95,000	...	2,83,34,000	2,83,34,000
6,13,79,07,000	2,11,63,83,000		5,71,93,24,000	2,00,61,60,000	
22,88,39,743	(b) 14,49,33,257		15,61,98,743	(b) 5,54,30,257	
6,36,67,46,743	2,26,13,16,257		5,87,55,22,743	2,06,15,90,257	

A. C. McWATTERS,
Secretary to the Government of India.

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England.

Revenue and Expenditure.	Accounts, 1924-25.		Revised Estimate, 1925-26.		Budget Estimate, 1925-26.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Principal Heads of Revenue—						
Customs	44,98,19,226	...	46,01,77,000	...	45,54,53,000	...
Taxes on Income	15,41,10,722	...	15,63,67,000	...	15,46,94,000	...
Salt	6,18,84,140	...	5,08,50,000	...	5,56,52,000	...
Opium	1,44,19,050	...	2,24,10,000	...	2,25,50,000	...
Other Heads	1,03,18,527	...	1,55,42,000	...	1,06,39,000	...
Total	69,65,51,665	...	70,53,46,000	...	70,49,06,000	...
Salt and other Capital Outlay charged to Revenue	...	17,31,744	...	10,44,000	...	10,20,000
Irrigation	...	11,44,365	...	9,38,000	...	9,13,000
Railways	6,78,41,682	...	5,31,98,000	...	6,00,87,000	...
Post and Telegraphs	80,37,233	...	1,72,91,000	...	...	40,49,000
Debt Services	...	15,27,22,502	...	14,51,11,000	...	14,04,65,000
Civil Administration	...	9,38,61,510	...	9,93,17,000	...	10,67,44,000
Currency and Mint	3,27,91,515	...	3,89,61,000	...	3,51,44,000	...
Civil Works	...	1,64,51,612	...	1,60,81,000	...	1,70,13,000
Miscellaneous	...	3,89,43,190	...	4,09,31,000	...	3,57,04,000
Military Services	...	55,63,40,218	...	56,28,00,000	...	54,88,00,000
Provincial Contributions and Miscellaneous adjustments between Central and Provincial Governments.	8,74,46,813	...	6,09,94,000	...	5,39,12,000	...
Extraordinary Items	3,53,50,721	...	33,70,000	...	11,00,000	...
Total	91,80,19,929	86,11,94,231	87,91,60,000	86,61,22,000	85,52,39,000	85,47,08,000

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England—*concld.*

Receipts and charges.	Accounts, 1924-25.		Revised Estimate, 1925-26.		Budget Estimate, 1926-27.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Surplus	5,68,25,698	...	1,30,38,000	...	5,31,000	...
Capital Account—						
Construction of Irrigation Works	...	95,898	...	—1,15,000	...	— 55,000
Capital outlay on Posts and Telegraphs	...	1,17,55,881	...	2,28,92,000	...	50,32,000
Capital outlay on Vizagapatam Harbour	...	...	...	66,20,000	...	48,70,000
Payment of commuted value of pensions	...	...	...	...	...	35,00,000
Initial expenditure on new Capital at Delhi	...	1,42,18,868	...	1,35,00,000	...	1,00,50,000
Railway Capital not charged to Revenue	...	13,95,24,694	...	23,00,64,000	...	26,66,66,000
Capital outlay on Security Printing	...	...	...	16,84,000	...	1,72,000
Debt, Deposits Advances and Remittances—						
Permanent Debt	11,74,76,934	...	...	3,97,60,000	...	69,17,000
Floating Debt	...	2,11,80,000	...	40,000	...	...
Unfunded Debt	8,96,12,039	...	12,75,77,000	...	9,58,16,000	...
Deposits and Advances	2,32,83,871	...	16,34,46,000	...	12,27,03,000	...
Loans and Advances by Central Government	...	1,22,69,059	...	9,29,62,000	...	8,06,23,000
Loans between Central and Provincial Governments	...	8,86,60,999	...	...	...	...
Remittances	1,13,35,974	...	17,000	...	...	5,48,000
Balances of Provincial Governments	2,64,95,115	...	2,45,93,000	...	20,000	...
Opening Balance	41,52,04,768	...	45,25,29,000	...	37,37,73,000	...
Closing Balance	...	45,25,29,000	...	37,37,73,000	...	21,16,39,000
TOTAL	74,02,34,399	74,02,34,399	78,12,00,000	78,12,00,000	59,28,52,000	59,28,52,000

M. F. GAUNTLETT,
Auditor General.

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT;
The 25th March 1926.

Explanatory Memorandum by the Financial Secretary.

(All figures in this memorandum are in lakhs of rupees unless expressly stated otherwise.)

The following table compares the actual revenue and expenditure of the Government of India in the year 1924-25 with the estimates :—

	Budget.	Revised.	Accounts.
Revenue . . .	1,30,09	1,34,83	1,38,04
Expenditure . . .	1,29,91	1,30,83	1,32,36
Surplus	18	4,00	5,68

2. The realised surplus of the year is over 1,68 lakhs more than the Revised estimate. As explained in the Finance Member's Budget speech, the two most important factors that have contributed to this variation are the increase in the contribution from Railways amounting to 1,14 lakhs and the saving in military expenditure amounting to 70 lakhs. As regards Railways, the gross traffic receipts during the year were 1,48 lakhs more than estimated, mainly owing to heavy traffic in grain and cotton developing earlier than anticipated, the earnings in February and March being thereby increased and, incidentally, the earnings in the earlier part of the financial year 1925-26 being decreased correspondingly beyond expectations. There were also considerable savings in working expenses due to economies, for example, in the consumption of coal, to a decrease in payments of compensation claims and to the decision to debit the loss on revaluation of stores to Railway reserves instead of to working expenses.

3. The total net military expenditure was 55,63 lakhs and was 70 lakhs less than the revised estimate. This decrease was, as explained in the Finance Member's Budget speech, due to a saving in the expenditure on stores and a decrease in payments to the War Office on account of arrear claims in respect of the War.

4. The net transactions on account of the Posts and Telegraphs Department resulted in a total reduction of revenue to the extent of 11 lakhs, on account of credits on account of issues of stores being less than anticipated.

5. The variations from the revised estimate in Civil expenditure (excluding Posts and Telegraphs) amounted only to 4 lakhs in the aggregate though in individual items there were large variations. The gross Customs receipts were 37 lakhs higher. Owing, however, to the fact that the amount actually expended on refunds to Railway Companies for Customs duty on stores imported by them in the past, according to the Privy Council decision, fell far short of the 2,80 lakhs provided for them on a rough estimate, the net Customs receipts were nearly a crore higher than anticipated. On the other hand, the receipts from Taxes on Income and Salt fell below anticipations to the extent of 46 and 35 lakhs respectively. The interest receipts were about 39 lakhs less than expected, the decrease being mainly under the interest on the investments of the Gold Standard Reserve. On the expenditure side, net payments on account of interest on debt were greater than expected on account of the smaller amount of loans to Provincial Governments and to the rate of interest actually charged to

Railways and other Commercial Departments on their capital outlay after 1916-17, which is the average of the rates at which the Government has borrowed during the period being less than the previous year's rate which was taken for purposes of estimating. The variations under other heads were of relatively minor importance.

6. The details of estimates for 1925-26 and 1926-27 are explained in the following paragraphs :—

CUSTOMS.

		Revenue (Receipts *less* Refunds).	Expenditure.	Net Revenue.
1922-23		41,34·65	70·62	40,64·03
1923-24		39,69·64	71·36	38,98·28
1924-25		45,75·31	77·12	44,98·19
1925-26	Budget	46,35·00	84·29	45,50·71
	Revised	46,84·57	82·80	46,01·77
1926-27	Budget	46,40·00	85·48	45,54·52

7. The revised estimate of gross Customs revenue in 1925-26 amounts to 47,83 lakhs or 30 lakhs more than the Budget estimate. The outstanding variations are in the import duties on sugar and cotton piece-goods, protective duties and the cotton excise duty. The heavy fall in the prices of sugar has stimulated imports very largely and the duty being now specific and not *ad valorem*, the receipts on this account are expected to be 1,30 lakhs more than estimated. There is also a large increase of 80 lakhs under protective duties on iron and steel, etc. (partly counterbalanced by a decrease under the 10 per cent. duty goods). The new protective duty on paper is expected to yield 12½ lakhs in the current year. On the other hand the yield from the import duty on cotton piece-goods has been very disappointing. The January figures are more encouraging and show the possibility of larger imports in the near future. For the current year, however, the present estimate is about 1,25 lakhs less than the Budget. The cotton excise duty was suspended from 1st December and the total receipts on that account are expected to be 1,44 lakhs against an estimate of 2,15 lakhs. Variations under the other heads are comparatively less important. There are increases under the import duties on motor-cars, rubber tyres and tobacco, the export duty on rice and the excise duty on motor spirit, counterbalanced by decreases under other heads, *e.g.*, the export duty on jute. There are also expected to be savings to the extent of 20 lakhs under refunds. The net receipts from Customs are therefore expected to be in the aggregate 50 lakhs more than estimated.

8. The Budget estimate for 1926-27 takes gross receipts at 47,40 lakhs which is 43 lakhs lower than the revised estimate of the current year. The estimate is based mainly on the revised estimate and has been framed in the expectation of a normal growth of revenue under most heads. In particular, the yield from the import duty on cotton piece-goods has been put at 7 crores in the hope of a revival of trade. Though this is considerably higher than in the current year, it is lower than the realised revenue in 1924-25 which amounted to 7,74 lakhs. Suitable allowance has been made for the probability of a decrease in the yield from the import duty on sugar which has been extraordinarily high in the current year. Excluding the cotton excise duty in both years, the total gross receipts are about a crore higher than in the revised estimate for 1925-26.

9. The details are as follows :—

	Accounts, 1922-23.	Accounts, 1923-24.	Accounts, 1924-25.	1925-26. Budget.	1925-26. Revised.	Budget, 1926-27.
REVENUE						
SEA CUSTOMS						
IMPORTS.						
Non-protective-Special Duties.						
1. Liquors—						
(*a*) Ale, Beer, Porter, Cider and other fermented Liquors	13·49	14·08	16·23	16·50	17·50	15·00
(*b*) Spirits and Liqueurs	2,10·19	2,00·88	3,19·99	2,20·00	2,20·00	2,10·00
(*c*) Wines	10·78	11·23	14·10	14·00	14·00	14·00
2. Sugar, all sorts	4,40·95	3,32·23	5,70·90	5,10·00	6,10·00	5,70·00
3. Tobacco	1,54·76	1,07·63	1,73·72	1,30·00	1,70·00	1,75·00
4. Coal, coke and patent fuel	4·80	3·02	2·83	3·00	2·50	2·50
5. Mineral oils	1,10·80	1,27·70	1,43·39	1,40·00	1,45·00	1,40·00
6. Arms, Ammunition and Military Stores	8·27	8·20	8·64	9·00	9·00	9·00
7. Opium	·02	·03	·03	...	·02	...
8. Cotton yarn and thread	43·80	42·74	51·41	53·00	48·00	48·00
9. Cotton piece-goods	6,39·03	6,16·12	7,73·76	7,30·00	6,05·00	7,00·00
10. Silk mixtures	...	...	...	...	3·50	4·50
11. Matches	1,53·03	1,38·01	1,25·85	1,20·00	1,15·00	1,12·00
12. Match Splints and Veneers						
Duty at 2½ per cent.						
13. Machinery	63·33	55·83	42·88	45·00	43·50	44·00
14. Other articles	2·00	1·54	1·16	2·00	1·00	1·00
Duty at 10 per cent.						
15. Metals—Iron and Steel	1,84·08	1,72·11	84·12	60·00	40·00	40·00
16. Railway plant and rolling stock	1,07·02	62·56	47·49	55·00	37·00	37·00
17. Other articles	2·89	6·53	1·65	3·00	1·50	2·00
Duty at 15 per cent.						
18. Articles of Food and Drink (excluding sugar and vinegar)	1,22·54	1,27·43	1,39·15	1,40·00	1,50·00	1,58·00
19. Raw materials and articles mainly unmanufactured	74·71	65·78	63·88	86·00	70·00	74·00
20. Articles wholly or mainly manufactured—						
(*a*) Cutlery, hardware, implements and instruments	1,33·40	1,13·50	1,19·97	1,32·00	1,25·00	1,30·00
(*b*) Metals other than Iron and Steel	1,07·34	95·58	1,12·97	1,25·00	1,08·00	1,10·00
(*c*) Yarns and textile fabrics (other than cotton manufactures)	75·88	1,03·87	1,42·91	1,40·00	1,42·00	1,45·00
(*d*) All other articles wholly or mainly manufactured	3,76·69	3,76·32	3,99·48	4,20·00	3,90·00	4,00·00
21. Miscellaneous	52·74	53·07	56·46	60·00	55·00	55·00
Carried over	31,00·39	28,96·08	33,18·97	31,99·50	31,47·52	32,08·00

	Accounts, 1922-23.	Accounts, 1923-24.	Accounts, 1924-25.	1925-26. Budget.	1925-26. Revised.	Budget, 1926-27.
REVENUE—*contd.*						
SEA CUSTOMS—*contd.*						
IMPORTS—*contd.*						
Brought forward	31,00·29	28,96·08	33,18·97	31,99·50	31,47·52	32,08·00
Duty at 30 per cent.						
22. Motor cars and cycles	56·06	74·13	79·44	80·00	1,05·00	1,05·00
23. Silk piece-goods and other manufactures of silk	80·62	81·55	90·05	90·00	80·00	90·00
24. Pneumatic rubber tyres and tubes	32·42	29·33	27·69	30·00	48·00	50·00
25. Other articles	96·82	96·72	98·59	1,05·00	1,03·00	1,05·00
Protective Special Duties						
26. Coal tubs	...	...	2,25·77	1,80·00	2,60·00	2,35·00
27. Iron and Steel						
28. Railway track material						
29. Paper and Stationery	...	...	...	...	12·50	20·00
Government stores.						
30. Railway plant and rolling stock	...	...	60·39	85·00	95·00	1,00·00
TOTAL IMPORTS	33,66·22	31,77·81	39,00·80	37,69·50	38,51·02	39,13·00
32. Export duties—						
(*a*) Hides and skins, raw	42·60	25·33	26·75	25·00	33·00	35·00
(*b*) Jute (raw and manufactured)	3,29·25	3,57·80	3,75·64	3,75·00	3,52·00	3,80·00
(*c*) Rice	1,05·06	1,18·22	1,23·97	1,15·00	1,36·00	1,36·00
(*d*) Tea	44·41	50·06	49·13	50·00	50·00	52·00
(*e*) Government Stores	...	...	·05	...	·05	...
33. Sea Customs—Miscellaneous	11·60	11·10	13·50	14·00	11·50	12·00
34. Land Customs	20·76	18·67	20·84	24·00	21·00	22·00
35. Excise Duty on Cotton Manufactures	1,57·34	1,56·52	2,17·67	2,15·00	1,44·00	...
36. Excise Duty on Motor Spirit	64·69	65·15	78·86	60·00	80·00	85·00
37. Excise Duty on Kerosene	92·32	95·16	98·39	1,00·00	90·00	1,00·00
38. Warehouse and wharf rents and Miscellaneous	4·79	5·29	5·29	5·50	5·00	5·00
TOTAL RECEIPTS	42,72·05	40,81·11	49,10·88	47,53·00	47,82·57	47,40·00
Deduct—Refunds	*1,37·40*	*1,11·47*	*3,35·56*	*1,18·00*	*98·00*	*1,00·00*
TOTAL REVENUE	41,34·65	39,69·64	45,75·32	46,35·00	46,84·57	46,40·00
EXPENDITURE.						
India	69,30	69,47	75·13	81·61	81·06	83·55
England	·87	1,29	1·45	2·01	1·31	1·45
Exchange	·45	·60	·54	·67	·43	·48
TOTAL	70·62	71·36	77·12	84·29	82·80	85·48

TAXES ON INCOME.

		Revenue (Receipts *less* refunds and Provincial Government's share of Income-tax revenue).	Expenditure.	Net revenue.
1922-23		17,99·41	44·56	17,54·85
1923-24		18,23·56	62·67	17,60·89
1924-25		16,01·48	60·38	15,41·10
1925-26	Budget	17,34·87	66·56	16,68·31
	Revised	16,24·69	61·02	15,63·67
1926-27	Budget	16,14·67	67·73	15,46·94

10. The gross receipts under this head during 1925-26 are expected to amount to 17,88 lakhs against a Budget estimate of 18,57 lakhs The decrease of 69 lakhs is divided fairly evenly between Income-tax and Super-tax. The decrease in the former is 39 lakhs and practically all is in Bombay (36 lakhs). The increases in Bengal (8 lakhs) and in Burma (15 lakhs) practically counterbalance decreases in other Provinces. In the matter of Super-tax collections, too, Bombay has fared worst; of the total decrease of 30 lakhs that Province accounts for 24 lakhs. The difficult times through which the cotton mill industry passed in 1924-25 and 1925-26 constitute the main reason of the decrease. The total amount of refunds is now expected to exceed the original estimate by 42½ lakhs. There is on the other hand a slight decrease in the share of Provincial Governments of Income-tax revenue under the Devolution Rules. The net decrease is therefore 1,10 lakhs.

11. The estimate for 1926-27 is based generally on the revised estimate making due allowance for a possible further decrease in the receipts in Bombay. Slight increases are expected mainly in Burma and Madras, partly set off by decreases elsewhere. On the whole, the total gross revenue is expected to be 16 lakhs less. Refunds on the other hand are expected to be about 7 lakhs less. The net revenue, after deducting refunds and the share of Provincial Governments, is thus 10 lakhs less. The following tables give details of the revenue, including the shares of the Provincial Governments.

	Accounts, 1922-23.	Accounts, 1923-24.	Accounts, 1924-25.	1925-26. Budget.	1925-26. Revised.	Budget, 1926-27.
REVENUE.						
EXCESS PROFITS DUTY.						
1. Madras	·03	...	·08	...	...	...
2. Bombay	1·00	...	...	...	...	...
3. Bengal	·47	·05	·15	...	·01	·01
4. Punjab	...	·14	...	...	...	...
TOTAL	1·50	·19	·23	...	·01	·01

	Accounts, 1922-23.	Accounts, 1923-24.	Accounts, 1924-25.	1925-26. Budget.	1925-26. Revised.	Budget, 1926-27.
SUPER-TAX.						
1. India	·15	2·62	1·22	2·26	2·33	2·09
2. Baluchistan	...	...	...	...	·15	·15
3. N.-W. Frontier	·24	·40	·24	·26	·46	·26
4. Madras	34·44	32·79	21·35	27·00	23·09	26·00
5. Bombay	3,58·32	2,03·90	1,27·24	1,35·01	1,11·69	87·00
6. Bengal	1,90·77	2,04·95	2,25·31	2,48·00	2,47·91	2,41·00
7. United Provinces	27·79	22·49	16·53	20·00	21·40	20·00
8. Punjab	10·24	9·77	6·90	8·56	7·85	8·00
9. Burma	59·08	51·41	56·56	55·00	60·74	66·00
10. Bihar and Orissa	16·49	9·85	6·54	12·00	6·00	6·00
11. Central Provinces	125·71	17·84	12·94	13·70	8·50	8·50
12. Assam	·06	1·12	4·09	1·50	3·00	3·00
TOTAL	7,23·15	6,17·11	4,79·02	5,23·29	4,93·03	4,68·00
INCOME-TAX.						
1. India General—						
Civil	31·22	31·64	32·42	30·64	28·83	29·37
Non-Civil Departments	62·01	55·00	50·21	57·19	55·73	56·22
2. Delhi	8·27	8·27	8·33	9·30	9·98	9·74
3. Baluchistan	·86	·95	1·07	1·03	1·36	1·28
4. North-West Frontier	9·87	11·47	7·65	9·14	8·39	8·39
5. Madras	1,32·12	1,57·17	1,18·16	1,35·00	1,31·00	1,36·00
6. Bombay	5,81·72	4,08·79	3,13·10	3,13·83	2,77·42	2,65·00
7. Bengal	3,19·69	3,62·25	3,50·15	3,78·21	3,86·18	3,91·00
8. United Provinces	84·47	70·73	64·94	77·78	70·53	60·00
9. Punjab	76·37	77·19	63·33	77·05	69·70	74·00
10. Burma	1,23·75	1,26·96	1,31·31	1,45·71	1,60·97	1,70·00
11. Bihar and Orissa	45·25	39·99	39·42	38·88	38·00	40·00
12. Central Provinces	45·52	46·35	39·99	40·10	37·71	34·50
13. Assam	9·82	13·85	20·06	18·85	18·49	18·50
14. Coorg	·19	·19	·22	·23	·22	·22
TOTAL	15,31·13	14,10·80	12,40·36	13,33·24	12,94·51	13,03·22
Total Receipts from Taxes on Income	22,55·78	20,28·13	17,19·61	18,56·53	17,87·55	17,71·23
Deduct—Refunds—						
India	*4,41·84*	*1,79·01*	*96·75*	*90·82*	1,33·33	1,26·23
England	...	...	*1·21*	*4·00*	4·00	4·00
Exchange	...	...	*·41*	*1·34*	1·31	1·33
	18,13·94	18,49·12	16,21·24	17,60·37	16,48·91	16,39·67
Deduct—Share of Provincial Governments in Income-tax revenue under the Devolution Rules	*14·53*	*25·57*	*19·76*	*25·50*	24·22	25·00
Total Revenue of the Central Government	17,99·41	18,23·55	16,01·48	17,34·87	16,24·69	16,14·67
EXPENDITURE.						
India	43·95	62·26	59·29	65·40	59·81	66·59
England	·40	·28	·79	·87	·91	·85
Exchange	·21	·13	·30	·29	·30	·29
TOTAL	44·56	62·67	60·38	66·56	61·02	67·73
Distributed as follows—						
Payments to Provincial Governments	6·37	19·55	11·16	5·61	3·71	1·18
Direct expenditure of Central Government	38·19	43·12	49·22	60·95	57·31	66·55

Amount of Income Tax Revenue payable to Provincial Governments

	Accounts, 1922-23.	Accounts, 1923-24.	Account, 1924-25.	1925-26.		
				Budget.	Revised.	Budget, 1926-27.
Madras	...	10·82	1·57	2·00	2·87	2·10
Bombay	3·00	...	...			
United Provinces	·33	...	...	...	...	
Punjab	5·69	4·24	1·90	4·94	5·03	5·11
Burma	...	·38	5·90	8·28	7·84	9·13
Bihar and Orissa	2·87	2·55	2·55	4·88	3·38	3·11
Central Provinces	1·49	3·42	2·30	...		
Assam	1·15	4·16	5·54	5·40	4·50	4·5
TOTAL	14·53	25·57	19·76	25·50	24·22	25·04

12. The following table shows the distribution by Provinces of the net revenue of the Central Government from Super-tax and Income-tax after deducting refunds and the share payable to Provincial Governments under the Devolution Rules :—

	Accounts, 1924-25.	1925-26.		Budget, 1926-27.
		Budget.	Revised.	
Madras	1,30	1,52	1,43	1,51
Bombay	4,04	4,27	3,63	3,26
Bengal	5,55	6,11	5,96	5,90
United Provinces	79	92	90	87
Punjab	59	77	66	72
Burma	1,72	1,65	1,74	1,91
Bihar and Orissa	39	43	36	38
Central Provinces	48	51	41	37
Assam	18	14	16	16
Minor Administrations and Non-Civil Departments.	99	1,08	1,05	1,06
England (including Exchange)	—2	—5	—5	—5
TOTAL	16,01	17,35	16,25	16,15

SALT.

		Revenue (Receipts *less* Refunds).	Expenditure (including Capital Expenditure charged to Revenue).	Net Revenue.
1922-23		6,82·46	1,51·36	5,31·10
1923-24		10,01·51	1,36·12	8,65·39
1924-25		7,39·05	1,27·40	6,11·65
1925-26	Budget	6,95·00	1,51·30	5,43·70
	Revised	6,40·00	1,41·94	4,98·06
1926-27	Budget	6,90·00	1,43·68	5,46·32

13. The stocks of salt accumulated in the hands of traders as a result of the rush for replenishing stocks in March 1924 on the reduction of the duty were being gradually worked off during the year and the receipts specially during the earlier part of the year have been below normal. It is now expected that the total revenue will be 55 lakhs less than the Budget Estimate. The greatest portion of the decrease is in the Northern India Salt Revenue, (38 lakhs) where the rush was keenest. Bombay and Bengal account for about 10 lakhs each; on the other hand, there is a small compensating saving under Refunds.

14. It is expected that accumulations would have been worked off by the end of the year 1925-26, and that collections next year will not be disturbed by abnormal factors.

15. Details of revenue and expenditure are given below.

	Accounts, 1922-23.	Accounts, 1923-24.	Accounts, 1924-25.	1925-26. Budget.	1925-26. Revised.	Budget, 1926-27.
REVENUE.						
Northern India (*a*)	2,06·11	3,21·44	1,42·92	1,79·71	1,41·50	1,77·36
Madras (*a*)	1,55·78	2,14·17	1,94·99	1,48·10	1,45·14	1,49·10
Bombay (*a*)	1,52·80	2,26·98	1,75·40	1,64·55	1,55·40	1,64·25
Bengal (*b*)	1,84·96	1,83·03	2,37·84	1,77·40	1,67·73	1,70·73
Burma (*b*)	31·80	61·76	34·62	34·27	34·15	34·30
Bihar and Orissa	·01	..	....	·01	·01	·01
Assam	...	...	·01	·01	·01	·01
TOTAL RECEIPTS	7,31·16	10,12·38	7,85·78	7,04·05	6,43·94	6,95·76
Deduct—Refunds	49·00	10·87	46·78	9·05	3·94	5·76
TOTAL REVENUE	6,82·46	10,01·51	7,39·05	6,95·00	6,40·00	6,90·00

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported salt.

Expenditure.	Accounts, 1922-23.	Accounts, 1923-24.	Accounts, 1924-25.	1925-26. Budget.	1925-26. Revised.	Budget 19[illegible]-27
Cost of salt purchased by Government	17·76	21·28	14·47	10·50	11·02	13·14
Assignments and compensations	40·09	37·54	36·38	38·35	40·21	40·18
Interest	...	...	3·01	3·38	3·05	1·92
Depreciation	...	...	2·60	3·01	3·01	3·31
Other charges	92·62	70·54	69·87	74·17	72·31	72·67
Capital Outlay on salt works	...	...	7·20	14·03	10·44	10·[illegible]
Total India	1,50·47	1,35·36	1,26·53	1,30·34	1,41·54	1,42·98
England	·68	·52	·63	·72	·30	·74
Exchange	·31	·24	·24	·24	·10	·18
Total	1,51·36	1,36·12	1,27·40	1,31·30	1,41·94	1,43·98

OPIUM.

	Provision; and medical (*less* refunds).	Excise opium and miscellaneous.	Total revenue (*less* refunds).	Purchase of opium.	Other charges.	Total expenditure.	Net revenue.
1922-23	2,93·09	85·83	3,78·92	1,97·35	19·26	1,86·61	1,92·31
1923-24	3,17·37	1,07·45	4,24·82	2,39·12	19·68	2,58·80	1,66·02
1924-25	2,74·47	1,05·29	3,79·76	2,14·82	20·75	2,35·57	1,44·19
1925-26 Budget	2,34·09	1,21·76	3,55·85	1,58·74	21·55	1,80·29	1,75·56
1925-26 Revised	2,93·00	1,46·00	4,39·00	1,93·29	21·61	2,14·90	2,24·10
1926-27 Budget	2,90·00	90·00	3,80·00	1,35·00	19·41	1,54·41	2,25·59

16. The revenue from opium is derived mainly from exports of what is called provision opium to foreign countries, and from the sale to Provincial Governments of excise opium for internal consumption in India. The latter is sold to Provincial Governments at a fixed price based on the cost of production, and retailed by them to licensed vendors at rates fixed by them which vary from Province to Province. Opium is exported to foreign countries only after the prescribed import certificate from the Government of the importing country is produced. The greater part is exported under the system of direct sales to Foreign and Colonial Governments. The rest is sold by auction in Calcutta to traders for export to foreign countries the Governments of which have not entered into such arrangements. The Government of India propose to discontinue altogether the system of auction sales of opium as soon as the agreement for direct sale now being negotiated with the Government of French Indo-China is concluded.

17. Various factors have contributed to the increase in receipts in the current year as compared with the Budget Estimate. The stocks of excise opium at treasuries on 1st April 1925 which were taken over and paid for by Provincial Governments were higher; the opium sold direct to foreign Governments was more, partly on account of 400 chests which were expected to be exported in the first-quarter of the calendar year 1925 being delayed, so that the receipts in connection therewith actually accrued in the current, instead of the last, financial year; the receipts from auction sales in Calcutta began to improve after the early months of the year to an unexpected extent; and there were certain unforeseen receipts from the sale of medical opium.

18. The expenditure under Opium consists mainly of the cost of purchase of crude opium from cultivators in the United Provinces and from certain Indian States and of its manufacture at Ghazipur. The revised estimate of the year 1925-26 exceeds the Budget by 35 lakhs; the crop during the last season in the United Provinces was exceptionally good and consequently the provision made in the Budget was found to be too small. A supplementary grant of 50·96 lakhs was voted by the Assembly in September 1925, but, owing to savings elsewhere, the full amount proved to be unnecessary.

19. The revenue estimates for 1926-27 differ from the revised estimate for 1925-26 mainly under excise opium. This difference is due to the fact that the current year's revenue includes a large receipt from Provincial Governments on account of the stocks of opium held in treasuries on the 1st of April 1925. The large decrease in expenditure is due to a drastic reduction in cultivation.

OTHER PRINCIPAL HEADS OF REVENUE AND DIRECT DEMANDS ON THE REVENUES.

		Revenue.	Expenditure.	Net revenue.
1922-23	Actuals	2,34·00	68·90	1,65·10
1923-24	„	2,28·56	15·10	2,13·46
1924-25	„	2,06·93	43·75	1,63·18
1925-26	Budget	2,23·14	79·40	1,43·74
	Revised	2,19·05	63·63	1,55·42
1926-27	Budget	2,25·43	59·04	1,66·39

20. These comprise the following heads of account—Land Revenue, Excise, Stamps, Forest, Registration and Tributes from Indian States. The decrease in expenditure in Revised is explained by the transfer of the expenditure on the Security Printing Press at Nasik to capital. The decrease in Budget as compared with Revised is due to larger recoveries anticipated on account of sales of stamps.

POSTS AND TELEGRAPHS.

	Accounts, 1922-23.	Accounts, 1923-24.	Accounts, 1924-25.	1925-26. Budget.	1925-26. Revised.	Budget, 19..-..7.
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
GROSS RECEIPTS	9,67·08	9,90·72	9,07·28	10,41·33	10,23·47	10,64·65
WORKING EXPENSES—						
India	8,55·58	8,81·96	8,82·01	9,04·28	9,47·53	10,09·05
England	2·57	10·37	10·03	8·73	6·88	5·00
Exchange	1·37	7·16	4·00	2·01	2·25	1·80
TOTAL	8,59·52	9,05·48	8,07·03	9,75·02	9,56·66	10,17·50
NET RECEIPTS	1,07·51	85·24	1,00·25	66·40	66·81	47·15
EXPENDITURE CHARGED TO REVENUE.						
Interest	59·16	63·89	68·60	66·00	40·00	57·00
NET REVENUE	48·5	21·35	31·65	—·60	17·81	—9·85
CAPITAL OUTLAY CHARGED TO REVENUE—						
India	—36·74	—50·51	—56·00	—95·41	—1,48·66	20·02
England	38·15	13·12	10·45	...	...	...
Exchange	20·37	5·54	3·83	...	...	...
TOTAL	21·78	—32·85	—42·71	—95·41	—1,48·66	20·02
CAPITAL OUTLAY NOT CHARGED TO REVENUE—						
India	65·62	75·21	1,17·56	1,93·08	2,07·55	44·02
England	...	...	...	14·01	10·11	12·71
Exchange	...	...	...	4·67	3·20	4·34
TOTAL	65·62	75·21	1,17·56	2,13·36	2,20·95	60·07
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
GROSS RECEIPTS—						
India	22·24	17·07	29·38	33·10	23·75	2·64
England	15·72	16·09	8·27	5·40	10·10	7·80
Exchange	8·15	7·66	3·06	1·80	3·40	2·60
TOTAL	46·11	41·42	40·71	40·30	37·55	34·04
WORKING EXPENSES—						
India	30·32	29·29	28·77	36·66	34·28	34·10
England	·66	·85	·69	·70	1·28	1·18
Exchange	·34	·40	·26	·23	·12	·10
TOTAL	31·32	30·54	29·72	37·59	35·08	35·37
NET RECEIPTS	14·79	10·88	10·99	3·71	1·57	—1·33
EXPENDITURE CHARGED TO REVENUE—						
Interest	...	...	...	3·66	4·26	5·10
NET REVENUE	14·79	10·88	10·99	—·95	—2·69	—6·43
CAPITAL OUTLAY CHARGED TO REVENUE—						
India	—5·87	—4·29	—4·94	—4·73	—11·50	3·85
England	1·26	—·99	7·35	1·73	1·70	·13
Exchange	·65	—·38	2·58	·58	·68	·01
TOTAL	—3·96	—5·66	4·99	—3·42	—9·13	3·89
CAPITAL OUTLAY NOT CHARGED TO REVENUE—						
India	...	...		—·83	6·58	—3·05
England	...	...	...	1·50	1·05	1·50
Exchange	...	...		·50	·34	·50
TOTAL	...	...	...	1·17	7·97	—1·05

INDIAN POSTAL AND TELEGRAPH DEPARTMENT.

21. The estimated amount of gross receipts in revised is about 18 lakhs less than in the Budget Estimate. There has been a serious fall in telegraph receipts, the estimate of which based on the briskness of telegraph traffic at the end of 1924 proved to have been too optimistic. Detailed calculations have shown that the actual amount payable to Provincial Governments as their share of the revenue from unified stamps is about 47½ lakhs, instead of 42 lakhs as provided for on a rough estimate. On the other hand, the working expenses are 19 lakhs lower. Part of this improvement is due to the correction in the current year's accounts of a previous wrong adjustment to the extent of about 8 lakhs under stationery and printing charges.

22. In 1926-27 the increase under expenditure as compared with the revised estimate is nearly 61 lakhs, while the increase in revenue is only 41 lakhs. Part of the increase is due to the fact that the provision for postal stationery and stamps is 13 lakhs higher, owing to the expenditure in 1925-26 being abnormally low, as the Department was using up stocks previously accumulated. The increased expenditure on travelling allowances owing to the withdrawal of free railway passes is about 10 lakhs. A sum of about 15 lakhs has been included in the Budget for the grant of concessions to postal employees.

23. The decrease in the revised estimate in the charges for interest and the increase in the credits to revenue under the head 'Capital outlay charged to revenue,' on account of the transfer of postal and telegraphic stores to Capital, have been explained in the Finance Member's Budget speech. The rest of the difference in the latter head is due to a saving in the expenditure incurred on postal buildings.

24. As a result of the transfer of stores suspense to Capital, there are no credits in 1926-27 taken as a reduction of expenditure under the head 'Capital outlay charged to revenue'. The estimate of expenditure on postal buildings is about 20 lakhs.

25. The expenditure under Capital outlay not charged to revenue includes from the year 1925-26 the accounts of Stores and Workshops Suspense. The details are as follows :

	Budget, 1925-26.	Revised, 1925-26.	Budget, 1926-27.
Capital Expenditure proper .	1,42·64	98·32	88·11
Stores and Workshop Suspense .	69·72	1,22·63	—27·14
Total .	2,12·36	2,20·95	60·97

26. There are large savings in the current year in capital expenditure due to the capital programme provided for in the Budget not having been worked up to in full. The Budget for 1926-27 is based on a more careful estimate of probable requirements for expenditure during the year. The variations in Stores Suspense account mainly for the net expenditure in 1926-27 being so markedly below the expenditure in 1925-26. In the current year the transfer of Stores balances to Capital has swelled the expenditure under this head; in the next year issues from balances are expected to exceed fresh purchases.

INDO-EUROPEAN TELEGRAPH DEPARTMENT.

27. Both the gross receipts and the working expenses in 1925-26 are less than anticipated, but the fall in the latter is insufficient to counterbalan the fall in the former. The estimates for 1926-27 anticipate a further fall in receipts, the reasons for which are not quite clear. The position is being investigated. The transfer of stores from Capital outlay charged to revenue to Capital outlay not charged to revenue in the current year is responsible for part of the decrease in the former head and the increase in the latter.

INTEREST RECEIPTS.

	Accounts, 1924-25.	1925-26. Budget.	1925-26. Revised.	Budget, 1926-27.
India	92·24	97·91	87·33	74·41
England — Interest on temporary investment of cash balances, etc.	48·27	27·10	48·13	32·03
England — Excess of Gold Standard Reserve over £40 millions	1,34·71	1,69·80	1,90·00	1,72·50
Exchange	65·78	65·63	77·73	68·17
Total	3,41·00	3,60·44	4,03·19	3,47·11

28. The receipts in the current year are abnormally high on account of the unusually high rates for short money in London and the high cash balances available for investment, Home remittances having been on a larger scale than anticipated, owing to heavy trade demand for them.

INTEREST PAYMENTS.

	Accounts, 1924-25.	1925-26. Budget.	1925-26. Revised.	Budget. 1926-27.
Interest on debt—				
Gross payments—				
India	20,30·20	20,58·96	20,66·80	20,55·45
England	12,55·60	13,07·64	13,07·04	13,04·04
Exchange	4,70·23	4,35·88	4,26·65	4,34·68
Total	37,56·03	38,02·48	38,00·49	37,94·17
Deduct—Amounts charged to—				
Railways	21,22·99	23,36·66	22,96·71	24,38·21
Irrigation	11·98	12·50	12·05	12·05
Posts and Telegraphs	68·60	69·66	53·26	62·10
Other Commercial Departments	3·01	3·38	6·50	11·11
Provincial Loans Fund	4,21·55	4,95·34	5,11·76	5,29·82
Total deductions	26,28·13	29,17·54	28,80·28	30,53·29
Total Interest on Ordinary Debt (net)	11,27·90	8,84·94	9,20·21	7,40·88

	Accounts, 1924-25.	1925-26. Budget.	1925-26. Revised.	Budget, 1926-27.
Interest on other obligations –				
On Postal Savings Bank balances .	71·21	75·73	75·18	80·55
On Provident Funds . . .	1,85·05	2,16·68	2,18·08	2,37·52
Bonus on Postal Cash Certificates .	16·31	25·00	16·00	15·00
On Fixed Deposits of Provincial Governments	...	10·00	7·48	20·00
On Reserve and Depreciation Funds.	21·29	33·11	54·92	81·54
Other items	68·07	71·10	65·07	77·64
Total .	3,61·93	4,31·62	4,36·73	5,12·25
Total Interest payments .	14,89·83	13,16·56	13,56·94	12,53·13

29. The present procedure for calculating the rate of interest charged on the capital outlay on commercial departments makes a distinction between expenditure incurred up to the end of 1916-17, and expenditure thereafter. The former is fixed at 3·3252 per cent. The latter is variable. For any year, it is the average rate paid by the Government on borrowings during the period from 1st April 1917 to the end of the year in question. As the Government at present issue loans every year at varying rates of interest, the rate changes every year, and the actual rate for any year cannot be accurately estimated beforehand.

30. The actual amounts transferred depend not only on the rate which is itself variable but also on the actual capital expenditure during the year which, again, it is not easy to forecast accurately.

31. The actual variations in the current year have been fully explained in paragraph 16 of the Finance Member's Budget speech. Briefly the decrease of 40 lakhs in the transfer to Railways is due mainly to the procedure described above; the decrease in the amount transferred to Posts and Telegraphs is due to the revaluation of the Block Account of assets of the department, but as the investigations are not complete, the revised figure is only a rough approximation; the increase under the Provincial Loans Fund is due to the unexpected payment by the Government of Bombay of interest on some of their loans for 15 months instead of 12, so as to make payments up to the end of the financial year. But for this, there would have been a decrease on account of the requirements of Provincial Governments being much lower than anticipated. The increase in gross payments was due to the amount provided for the new loan proving insufficient; it is covered by savings in exchange.

32. The net payments of interest on debt in 1926-27 show a considerable decrease on account of the fact that capital expenditure (including Provincial Governments' transactions) was met in the current year without further borrowings.

REDUCTION OR AVOIDANCE OF DEBT.

33. Under the scheme of debt redemption adopted by the Government of India for the five years 1925-26 to 1929-30, the annual charge against the revenues of India for the purpose of making provision for the reduction or avoidance of debt is made up of

(*a*) a sum of 4 crores, and

(*b*) such additional sum as is equal to one-eightieth of any excess shown in the total of the debt outstanding on the 31st of March of the preceding year over the total outstanding on the 31st March 1923.

34. The amount required under this scheme is 4,77·36 lakhs in 1925-26, and 4,82·63 lakhs in 1926-27. The figures on which the calculation is based are given below :—

(In lakhs of rupees, sterling amounts being converted at Rs. 15 per £.)

	31st March 1923.		31st March 1925.		31st March 1926 (Estimate).	
Rupee Debt exclusive of Treasury Bills in the Paper Currency Reserve	3,61,42		3,70,38		3,68,35	
Sterling Debt	3,63,95		4,23,31		4,27,14	
Unfunded Debt	62,56		81,39		93,57*	
Capital value of the liabilities undergoing redemption by way of Terminable Railway Annuities	91,97		88,25		86,30	
		8,79,90		9,63,33		9,75,36
Deduct—						
Discount included above but separately provided for	8,23		10,83		10,69	
Advances to Provincial Governments other than those representing pre-Reform Irrigation debt	24,89		43,83		51,79	
		33,12		54,66		62,48
		8,46,78		9,08,67		9,12,88
Excess over outstanding debt on 31st March 1923			61,89		66,10	
$\frac{1}{80}$th of above			77·36		82·63	

35. In the year 1925-26, the amount of Customs duty on capital stores is to be added to the above provision. The original estimate of the amount required for this purpose was 24 lakhs and this sum was voted by the Assembly in March 1925. The revised estimate is 20 lakhs. The total charge under the head Reduction or avoidance of debt is thus 4,97·36 lakhs. The provision for 1926-27 does not include any amount on account of Customs duty on capital stores, it having been decided to discontinue this procedure from the beginning of the year 1926-27. On the other hand it includes a provision of 16 lakhs under section 7 of the Indian Finance Act, 1926, which runs as follows :—

"The balance of all monies accruing to the Governor General in Council after the 31st day of March, 1926, as the share of British India in the

* According to the estimates as finally adopted, this figure should be 94,17, the difference representing the increase now expected in the receipts from Post Office Cash Certificates in the current year. No alteration has, however, been made here as it involves an increase in the voted portion of the provision for reduction or avoidance of debt.

annuities payable by Germany under the agreement between the Allied Governments and the German Government signed at London on the 30th day of August 1924, which remains after payment out of such monies of such amounts as may be payable to local authorities or other persons by way of reparation for loss or damage due to enemy action in the late war, shall be appropriated and applied for the purpose of the reduction or avoidance of public debt."

36. The actual deductions on account of amounts payable to local authorities or other persons is not definitely known at present, and the full estimated amount of receipts is taken as the charge on account of reduction or avoidance of debt. If there are any payments actually made in the year to local authorities, or other persons, the Budget as a whole will not be affected, as they will be deducted before determining the amount to be charged to debt redemption. The total provision is thus 4,98·63 lakhs of which the amount of 4,26·57 lakhs is non-voted, as below :—

Sinking fund provision for 5 per cent. rupee loans . . .	1,36·04
Capital portion of railway annuities (£1,347,200, equivalent at 18*d.* the rupee to)	1,79·63
Railway sinking funds (£200,000 equivalent at 18*d.* the rupee to)	26·66
Capital portion of liabilities assumed in respect of British 5 per cent. War Loan 1929-47 (£511,800 equivalent at 18*d.* the rupee to)	68·24
Reparation receipts	16·00
TOTAL .	4,26·57

The balance of 72·06 lakhs is voted.

CIVIL ADMINISTRATION.

		Revenue.	Expenditure.	Net Expenditure.
1922-23		44·34	9,94·32	9,49·98
1923-24		68·51	9,33·97	8,65·46
1924-25		73·98	10,12·59	9,38·61
1925-26	Budget	72·60	10,97·98	10,25·38
	Revised	83·10	10,75·27	9,92·17
1926-27	Budget	77·86	11,45·30	10,67·44

37. The Budget estimate includes among others provision for the Public Service Commission, for the United Provinces experiments on the separation of accounts and audit, for increased grants to the Aligarh, Benares and Delhi Universities and to the Indian Research Fund Association, for expansion of the new Forest Research Institute, Dehra Dun, for new light vessels in Burma, and reconditioning pilot vessels in Bengal and for the construction of certain Frontier Constabulary quarters.

CURRENCY AND MINT.

		Revenue.	Expenditure.	Net Revenue
1922-23		3,62·03	1,03·10	2,58·93
1923-24		3,12·74	99·07	2,13·67
1924-25		3,99·33	71·41	3,27·92
1925-26	Budget	4,08·07	73·47	3,34·60
	Revised	4,61·55	71·94	3,89·61
1926-27	Budget	4,29·68	78·24	3,51·44

38. The increase in the revised estimate is mainly under interest receipts in respect of Paper Currency Reserve investments in England due to the amounts available for investment being larger and rates of interest being higher than usual. The profits on circulation of nickel coin have also been somewhat higher than anticipated.

39. The Budget estimate for 1926-27 does not provide for any receipts on account of interest on emergency currency issued to the Imperial Bank of India against internal bills of exchange. In view of the monetary conditions prevailing at present, it is not expected that any such issue will be necessary. In other respects, it assumes more normal conditions than prevailed in the current year.

MISCELLANEOUS.

		Revenue.	Expenditure.	Net Expenditure.
1922-23		62·47	5,20·56	4,58·09
1923-24		94·78	4,46·50	3,51·72
1924-25		45·90	4,35·32	3,89·42
1925-26	Budget	43·21	4,01·91	3,58·70
	Revised	42·57	4,51·88	4,09·31
1926-27	Budget	39·27	3,96·81	3,57·04

40. The revised estimate includes the cost of certain Commissions for which provision had not been made in the Budget and certain unforeseen payments such as a payment of about 18 lakhs to the Government of Madras on account of pensions paid at Bangalore and Trivandrum from 1921-22 and wrongly debited to Madras hitherto, and another of over 8 lakhs to the Government of Bombay on account of arrear claims such as rates and taxes on Central buildings, etc. It also includes about 8 lakhs on account of a correction of a wrong adjustment in previous years in connection with stationery and printing work for the Posts and Telegraphs Department.

PROVINCIAL CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS BETWEEN CENTRAL AND PROVINCIAL GOVERNMENTS.

		Revenue.	Expenditure.	Net Revenue.
1922-23		9,26·86	3·93	9,22·93
1923-24		9,21·55	37·99	8,83·56
1924-25		9,25·21	50·74	8,74·47
1925-26	Budget	6,22·14	15·74	6,06·40
	Revised	6,24·26	14·32	6,09·94
1926-27	Budget	5,45·12	6·00	5,39·12

41. The Budget estimate of receipts includes only the contributions from Provincial Governments under the Devolution Rules. They are as follows :—

Madras	1,65·19
Bombay	56·00
United Provinces	1,50·85
Punjab	85·73
Burma	50·23
Central Provinces	22·00
Assam	15·00
Coorg	·12
	5,45·12

42. The payments consist of the assignments to the Governments of Bombay, Bihar and Orissa, Central Provinces and Assam on account of Customs duty on imported stores.

EXTRAORDINARY ITEMS.

	1925-26.			1926-27.
	Accounts, 1924-25.	Budget.	Revised.	Budget.
Receipts—				
India	·90	...	·28	...
England	1,89·56	28·75	44·62	12·00
Exchange	64·06	9·58	14·57	4·00
TOTAL	2,54·52	38·33	59·47	16·00
Payments—				
India	1·02	25·00	25·77	5·00
England	...	...	...	...
Exchange	...	...	...	...
TOTAL	1·02	25·00	25·77	5·00

43. The increase in the revised estimate of receipts is partly explained by a receipt of 9 lakhs on account of reparation receipts from Germany and the balance is due to the receipts on account of enemy ships being more than expected.

44. The receipt of 16 lakhs anticipated in the Budget estimate for 1926-27 is all on account of expected reparation receipts from Germany.

45. The provision of 5 lakhs next year under payments is required to meet enemy debts due by British Nationals in India which are irrecoverable and are payable by the Government of India in accordance with the Peace Treaty.

EXCHANGE.

46. Since the 1st April 1920 the accounts have been prepared on the basis of the rate of 2*s.* per rupee for the conversion of rupee transactions into sterling and *vice versâ*. The sterling value of the rupee has however stood at a lower level in recent years, the average rate for the current year being expected to work out at 1*s.* $6\frac{5}{32}d.$ In consequence of this variation from the 2*s.* rate, large sums have to be brought to account as credits or debits on account of exchange in respect of transactions involving remittances of funds to and from the Secretary of State. These are purely book keeping transactions. Under the present system there is an accounts 'gain' by exchange when the remittances Home are less than the amounts required by the Secretary of State for his aggregate net disbursements owing to the latter being financed partly by other resources, *e.g.*, a sterling loan floated in London. Similarly there is an accounts 'loss' when the remittances are greater in order to meet the demands of trade as in the current year. These 'gains' and 'losses' fluctuate within very wide limits as will be seen from the following statement of balances at the end of each of the financial years from 1919-20 onwards : —

	(In crores of rupees Credit + Debit)
31st March 1920	+5·23
„ „ 1921	—22·85
„ „ 1922	—11·48
„ „ 1923	+5·47
„ „ 1924	+8·55
„ „ 1925	+5·40
„ „ 1926 (Estimate.)	+1·45
„ „ 1927 (Estimate.)	+3·50

47. The procedure for the allocation of exchange gains and losses is as follows. All exchange gains and losses arising in respect of remittance transactions are recorded in the first instance under a suspense head; the portion attributable to the revenue and capital accounts in respect of outlay incurred in England is calculated every month on the basis of the average of the daily telegraphic transfer rates from Calcutta on London and transferred to these accounts, and the portion relating to expenditure of Provincial Governments is similarly debited to the Provincial Governments concerned; and it is considered with reference to the circumstances of each year whether the balance remaining under the suspense head after these transfers are made should be written off to revenue or kept in suspense against the possibility of opposite results in succeeding years. As the amount remitted Home depends on the circumstances of the year and often varies widely from the estimate, it is obvious that it is practically impossible to estimate the closing balance under this suspense head. The estimated results for the years 1925-26 and 1926-27 so far as can be foreseen at the present moment are given in the next paragraph.

48. On the assumption of an average rate of exchange of 1*s.* 6$\frac{3}{32}$*d.* and 1*s.* 6*d.* during the current and the next year respectively, the estimated transactions are as follows :—

(In crores of rupees.)

	1925-26.	1926-27.
Loss on :		
(i) Remittances from India for financing the Home Treasury	14·92	9·83
(ii) Bills and telegraphic transfers drawn by Iraq for payment in India against recoveries in England	·64	·65
(iii) Sterling money order and other miscellaneous transactions	·42	·38
Total Loss	15·98	10·86

	1925-26.	1926-27.
Transfers to:		
Revenue heads (net)	7·68	7·92
Capital heads (Railways, Posts and Telegraphs, Delhi, etc.)	3·44	4·05
Provincial Governments	·91	·94
Total Transfers	12·03	12·91
Net $\frac{\text{Credit}+}{\text{Debit}-}$ under the suspense head	—3·95	+2·05
Opening balance	+5·40	+1·45
Closing balance	+1·45	+3·50

WAYS AND MEANS.

Home Treasury.

49. The bulk of the payments made in England on account of the Government of India consists normally of expenditure chargeable to the Indian revenues ; and, if the transactions of the Home Treasury were restricted only to such payments, the Ways and Means programme would be a simple arrangement, as the whole of the expenditure would ordinarily be met by remittance of funds from India The capital outlay on the construction of Railways, however, sometimes necessitates heavy borrowing and a large portion of the money required has, when necessary, been raised in England, either direct or through the agency of Companies Operations connected with the Gold Standard and Paper Currency Reserves, and with the replacement of one particular form or item of direct or indirect debt by another, further swell the receipts and charges of the Home Treasury without affecting ordinarily the general Ways and Means programme. Recoveries are also being effected by the Secretary of State against the drawings of the Iraq administration on India. These recoveries represent in effect remittances from India to finance the Home Treasury and reduce the amount of direct remittances which would otherwise be necessary.

50. The following is a summary of the estimated transactions of the Home Treasury :—

(In millions of £)

	Budget, 1925-26.	Revised, 1925-26.	Budget, 1926-27.
RECEIPTS.			
1. Discount on loans raised in previous years brought to account as debt incurred	·21	·21	·22
2. Remittances between England and India—			
(*a*) Recoveries on account of drawings by Iraq administration on India	1·70	1·98	1·95
(*b*) Other transactions	1·25	1·20	1·12
Total Receipts, excluding direct remittances and loans	3·16	3·39	3·29
DISBURSEMENTS.			
3. Excess of Expenditure of the Central Government over Revenue	24·98	23·52	23·71
4. Disbursements on behalf of Provincial Governments	3·06	2·79	2·84
5. Capital Expenditure not charged to Revenue—			
(*a*) Outlay on State Railways	7·52	7·66	11·32
(*b*) Redemption of liabilities involved in purchase of Railways	2·58	2·58	...
(*c*) Discharge of Railway debentures	—·02	·07	·50
(*d*) Other items	·19	·26	·32
6. Discharge of Debt	2·15	2·15	3·06
7. Deposits and Advances	·28	·71	—·06
Total Disbursements	40·74	39·74	41·74
NET DISBURSEMENTS	37·58	36·35	38·45
Remittances from India (net)	31·50	37·32	29·50
Reduction (+) or increase (—) of cash balance	6·08	—·97	8·95
Opening Balance	11·87	13·52	14·49
Closing Balance	5·79	14·49	5·54

51. Item 2 (*a*) has already been explained in paragraph 49. The succeeding item relating to "Other transactions" is almost entirely made up of recoveries from the Governments of Hong-Kong, the Straits Settlements and Siam in respect of opium supplied from India under agreement.

52. Item 5 (*b*) represents the repayment of the share capital of the Great Indian Peninsula Railway Company when the management was taken over by the State. The item which follows it represents the net amount of railway debentures discharged. Ordinarily there are debentures falling due every year, some of which are renewed. The item does not take into account £18½ million of East Indian Railway debentures taken over as a State liability in 1924-25 or £3½ million of Great Indian Peninsula Railway debentures similarly taken over in the current year. These transactions did not affect the ways and means of the Government of India on the whole.

53. The amount shown under the head 'Discharge of Debt' includes the provision for railway sinking funds and the capital portion of railway annuities, and of the equated instalments in repayment of the war loan liability. These payments are made out of the provision for reduction or avoidance of debt. The Budget estimate for 1926-27 includes in addition nearly £1 million of 7 per cent. stock which is still outstanding, the rest having been converted previously into 3 per cent. stock under the terms of the loan.

54. The disbursements on account of deposits and advances are higher in the current year than in the next mainly owing to the closing of the enemy ships deposit account.

55. Remittances for financing the Home Treasury have been made in the current year entirely in the form of purchases of sterling in India which amount to £46·32 million, of which £9 million has been taken as a remittance on account of the Paper Currency Reserve. The net transfer of balances from India to England is therefore £37·32 million. The corresponding amount for next year is £29·50 million but this is only an illustrative figure representing the remittances necessary to provide the Home Treasury with a normal closing balance. The actual amount of remittance must, like the form, necessarily depend upon the circumstances of the year.

56. The Gold Standard Reserve usually stands at £40 million, any excess resulting from investments, etc., being transferred monthly to Revenue. The receipts and charges in the current and next years are as follows:—

(In millions of £.)

	Revised, 1925-26.	Budget, 1926-27.
Dividends, interest, etc.	1·81	1·69
Investments realised	47·98	28·38
TOTAL	49·79	30·07
Investments made	47·89	28·35
Appropriation to Revenue	1·90	1·72
TOTAL	49·79	30·07

INDIA.

57. The following is a summary of the estimates of Ways and Means in India during 1925-26 and 1926-27 :—

(In crores of rupees.)

	Budget, 1925-26.	Revised, 1925-26.	Budget, 1926-27.
RECEIPTS.			
1. Excess of Revenue of the Central Government over expenditure charged to Revenue	25·22	24·82	23·81
2. Unfunded Debt incurred—			
(a) Post Office Cash Certificates (net)	1·20	7·00	1·00
(b) Savings Bank deposits (net)	5·57	5·71	5·54
3. Other Deposits and Remittances (net)	13·53	17·14	12·21
4. Balances of Provincial Governments	3·38	5·25	2·84
TOTAL RECEIPTS	51·90	59·92	48·40
DISBURSEMENTS.			
5. Capital Expenditure not charged to Revenue—			
(a) State Railways	15·48	11·84	14·68
(b) Redemption of liabilities involved in purchase of Railways	·86	·84	...
(c) Discharge of railway debentures	1·87	·02	·17
(d) Posts and Telegraphs	1·98	2·18	·45
(e) Delhi	1·51	1·32	·93
(f) Other items	...	·70	·74
6. Permanent Debt discharged (net)	4·60	2·03	20·05
7. Loans by the Central Government—			
(a) To Provincial Loans Fund	13·82	7·96	7·00
(b) Other Loans	·98	1·34	1·06
8. Remittances between England and India—			
(a) Remittances from India for financing Home Treasury	31·50	37·32	29·50
(b) Drawings by the Iraq administration recoverable in England	1·70	1·98	1·95
(c) Other transactions (net)	1·23	1·24	1·13
TOTAL DISBURSEMENTS	75·03	68·77	77·66
NET DISBURSEMENTS	23·13	8·85	29·26
New Loan	12·00	...	22·00
Reduction of cash balance	11·13	8·85	7·26
Opening Balance	24·27	31·73	22·88
Closing Balance	13·14	22·88	15·62

58. The head "Other Deposits and Remittances" is made up of a variety of transactions of which the following deserve special mention :—

	1925-26.	1926-27.
Appropriation for reduction or avoidance of debt	4·97	4·99
Railway Reserve and Railway and Posts and Telegraphs Depreciation Funds	6·96	5·61

59. The estimates of Provincial Governments' transactions—*vide* items 4 and 7(*a*)—are based on the assumption that the net drawings from the Central Government in India and England including those in the shape of advances through the Provincial Loans Fund will be 5½ crores in the current year (against the Budget estimate of 13½ crores which experience has proved to be high) and 7 crores in the next.

60. Among the "Other items" of capital expenditure it is necessary to mention 35 lakhs provided next year on account of payment of commuted value of pensions which will be charged to capital in accordance with the revised system of accounting to be introduced with effect from the 1st April 1926. The amount paid out of capital will be repaid with interest out of revenue in 15 equated annual instalments.

61. Full details of debt incurred and discharged are given in statement C of the Budget. Out of the net amount of 2·03 crores shown as discharged in 1925-26, 1·77 crores represent 1925 Bonds which matured during the year but were not converted into the year's loan. The net amount of 20·05 crores similarly shown in the Budget for 1926-27 almost wholly represents the outstanding 1926 Bonds which will fall due for payment next year. The amount of the new loan now estimated to be required to enable the Government of India to close the year with a normal balance has been shown separately at 22 crores and this includes conversions. The figure is, however, again illustrative only and the actual amount and other details will depend upon the circumstances of the time.

62. The result of the conversion loan in the current year is summarised below for ready reference.

[In crores of rupees.]

Debt discharged.

5½ per cent War Bonds, 1925	1·68
6 per cent Bonds, 1926	17·84
6 „ „ 1927	7·41
5½ „ „ 1928	3·68
	30·61

Debt incurred.

5 per cent Tax-free loan, 1945-55	25·88
5 „ Bonds, 1935	4·73
	30·61

A. C. McWATTERS.

The 25th March 1926.

APPENDIX I.

STATEMENT SHOWING THE GROSS EXPENDITURE OF THE CENTRAL GOVERNMENT AS IN THE BUDGET ESTIMATES FOR 1926-27, PRESENTED TO THE LEGISLATURE, DIVIDED BETWEEN VOTED AND NON-VOTED.

(In lakhs of rupees.)

	Voted.	Non-voted.	Total.
Expenditure charged to Revenue—			
Railways	71,73	26,52	98,25
Customs	72	12	84
Taxes on Income	64	3	67
Salt	99	44	1,43
Opium	1,53	1	1,54
Stamps	14	1	15
Forest	9	3	12
Irrigation	15	14	29
Indian Postal and Telegraph Department	10,25	71	10,96
Indo-European Telegraph Department	35	11	46
Interest on Debt (excluding amounts charged to Commercial Departments)	23	12,48	12,71
Interest on other obligations	24	4,88	5,12
Reduction or Avoidance of Debt	72	4,27	4,99
General Administration	78	31	1,09
Audit	86	6	92
Administration of Justice	2	...	2
Police	2	...	2
Ports and Pilotage	24	13	37
Scientific Departments	79	14	93
Education	7	...	7
Medical	8	3	11
Public Health	11	1	12
Agriculture	22	4	26
Industries	44	46	90
Aviation	3	...	3
Miscellaneous Departments	8	1	9
Indian Stores Department	16	1	17
Currency	59	1	60
Mint	16	1	17
Civil Works	1,56	25	1,81
Superannuation Allowances and Pensions	35	2,24	2,59
Stationery and Printing	56	1	57
Miscellaneous	16	33	49
Miscellaneous Adjustments between the Central and Provincial Governments	6	...	·6
North-West Frontier Province	1,14	1,10	2,24
Baluchistan	27	45	72

(In lakhs of rupees.)

	Voted.	Non-voted.	Total.
Expenditure charged to Revenue—contd.			
Delhi	36	2	38
Ajmer-Merwara	14	1	15
Andamans and Nicobars	37	2	39
Rajputana	5	8	13
Central India	6	7	13
Hyderabad	3	3	6
Secretary of State	19	30	49
High Commissioner	23	42	65
Ecclesiastical	...	34	34
Political	...	1,75	1,75
Territorial and Political Pensions	...	30	30
Military Services	...	59,18	59,18
Bangalore	...	15	15
Western India States	...	15	15
TOTAL	97,96	1,18,17	2,16,13
Expenditure not charged to Revenue—			
Security Printing	2	...	2
Vizagapatam Harbour	49	...	49
Commuted value of pensions	20	15	35
Delhi	1,03	3	1,06
Railways	25,94	6	26,00
Posts and Telegraphs	59	...	59
TOTAL	28,27	24	28,51

APPENDIX II.

MEMORANDUM ON THE MILITARY ESTIMATES FOR 1926-27.

The form in which the detailed estimates for 1926-27 have been presented has not been materially changed, but against each important head, explanations have been furnished, as in the Home Estimates, which are intended to indicate as briefly as possible the duties performed by the particular services in question or the purposes for which particular expenditure is incurred and it is hoped that this information will help to elucidate in some degree the intricate details of the Military Estimates. Reasons are also given for the principal variations in the estimates. Another change which has been introduced is the amalgamation of certain minor heads and re-grouping of these heads under two main categories (*i*) Direct expenditure which includes pay, allowances and other direct cash expenditure incurred by the various formations and (*ii*) Supplies and Services, representing the value of rations, clothing, equipment, etc., issued from Arsenals and Supply Depôts to the units and the charges made for services rendered by transport units or the engineering services.

Apart from these changes the form of the estimates remains the same as that followed in recent years, pending any modifications which may be adopted on the recommendations of the Army Accounts Committee which is at present examining the working of the system of cost accounting in the Army.

2. Since 1920-21 substantial reductions have been effected in the expenditure on the Military Services. The actual net expenditure as shown in the final accounts or as estimated, where the accounts are not yet closed, is indicated in the following statement:—

	Rs. Crores.
1920-21	87·4
1921-22	69·8
1922-23	65·27
1923-24	56·23
1924-25	55·63
1925-26 (Revised estimate)	56·28
1926-27 (Budget estimate)	54·88

In the first of the years shown above, expenditure was swollen by abnormal charges of Rs. 7 crores on operations on the North-West Frontier and of Rs. 13 crores on the occupation of Waziristan, while in 1921-22 abnormal charges of a similar kind accounted for Rs. 6½ crores. The Indian Retrenchment Committee commenced their review of the expenditure of the Central Government in November 1922 and adopted, as the basis of their scrutiny of the expenditure on the Military Services, the budget estimate of the year 1922-23 which amounted to a net figure of Rs. 67¾ crores. The result of their exhaustive examination of every aspect of military administration was the recommendation that the net budget for 1923-24 should be fixed at Rs. 57¾ crores, subject to such addition as would be necessary on account of the delay which must necessarily ensue in carrying out the proposed changes. In their final review of Military expenditure, they envisaged further large automatic savings and they considered that, in subsequent years, expenditure would be susceptible of reduction to Rs. 57 crores and ultimately to Rs. 50

crores provided a further fall in prices took place. The budget estimate for 1923-24 was actually Rs. 62 crores, providing for the retrenchments proposed and the necessary delay in carrying them into full effect. This estimate was prepared under considerable difficulty as the record of past actual expenditure, incurred under abnormal conditions, was of little value as a guide to the future and, as the retrenchment report was presented at the close of the year when the budget was in preparation, reductions in the estimates for 1923-24 had to be estimated on a rough and provisional basis. The actual expenditure for the year amounted to under Rs. 56·23 crores, a saving of Rs. 5¾ crores on the original estimate, which was largely due to the rapidity with which the retrenchments were effected under the orders of His Excellency the Commander-in-Chief. Even when the budget estimate for 1924-25 was under preparation the cumulative effect of the strict *régime* of retrenchment and economy and of abnormal and unforeseen war adjustments was not fully realised. The estimate for that year was fixed at Rs. 60¼ crores while the actual expenditure has proved to be Rs. 55·63 crores, a reduction of over Rs. 4½ crores.

3. With the return to normal conditions, and the assistance of more reliable records of past actual expenditure, it is improbable that such large variations will again occur between the estimates and the actual expenditure. For the current year, 1925-26, the budget estimate was fixed at Rs. 56¼ crores which closely approximates to the actual expenditure of the past two years. The progress of expenditure during the course of the year justifies the framing of a revised estimate which differs little from the original figure, exceeding it by Rs. 3 lakhs only. This estimate takes into account a short payment of about Rs. 70 lakhs in the Home Estimates mainly owing to a revision with effect from 1919 of the basis on which the non-effective charges are settled but against this, there is counterbalancing additional expenditure principally of a non-recurring character.

An additional provision of Rs. 40 lakhs has been made to finance the replacement of certain shortages in armament and equipment. The cost of food and forage has proved to be higher than the estimate by about Rs. 20 lakhs owing to the prevalence throughout the year of a range of prices generally higher than those originally adopted, while a special allotment of Rs. 15 lakhs has been provided to facilitate the purchase in the current year of the requirements of ghi for the earlier months of 1926-27 in order to take advantage of more favourable conditions.

4. For 1926-27 the estimate is Rs. 54·88 crores, a reduction of Rs. 1·4 crores on the revised estimate for the current year. No material changes in the organisation of the Army are proposed but the estimate takes into account the withdrawal of the third British cavalry regiment, the last of the specific reductions in establishment which was recommended by the Retrenchment Committee. It also allows for certain reductions of expenditure consequent on the withdrawal of military detachments from the Persian Gulf and the connected disbandment of an Indian infantry battalion in India. Allowance is made on practically the same scale as in the current year (Rs. 60 lakhs) for expenditure on new equipment and urgent measures of reorganisation mostly of a non-recurring character. The principal variations will be dealt with under the detailed heads in subsequent paragraphs. The largest items, however, which contribute to the reduction in the estimates for the ensuing year are the saving of one crore in gratuities to demobilised officers and of Rs. 37 lakhs in pensionary liabilities.

5. The following table indicates the composition of the expenditure on the military services, distinguishing between charges which represent the normal cost of maintenance and those which are of an abnormal and disappearing character.

(In crores of rupees.)

—	Actuals, 1923-24.	Actuals, 1924-25.	Revised, 1925-26.	Budget, 1926-27.
(1) Established charges	56·68	55·83	55·24	54·24
(2) Payments to demobilised officers	1·18	·78	1·69	·66
(3) Special expenditure in Waziristan and for the Royal Air Force	2·16	·51	·43	·23
(4) Adjustment for consumption of surplus stores	—3·00	—1·10	—·70	—·25
(5) Special non-recurring credits	—·79	—·39	—·38	...
Total	56·23	55·63	56·28	54·88

In each year, the figure for established charges is well below the Retrenchment Committee's figure of Rs. 57 crores. It will be realised that, with the heavy commitments for expenditure in England which are provided for in the military estimates, a considerable part of the reduction below Rs. 57 crores is attributable to the present favourable rates of exchange but this advantage has been neutralised by certain additions to the Military Budget of which the Retrenchment Committee did not take cognisance, *i.e.*, the provision of about half-a-crore of rupees for the revision of pay and grant of free passages to officers of the Army, and the transfer to military estimates from the civil estimates of certain expenditure more properly accounted for under the former. The transfers which are taken into account in the budget of 1926-27 are as follows :—

(Thousands of rupees.)

Payments to Telegraph Department for care of Army stores	27
Customs Duty	30,00
Printing and Stationery	10,00
	40,27

On the other hand, the following items have been transferred from the military to the civil estimates :—

Establishment of the Deputy Financial Adviser, Royal Air Force	43
Establishment of the Budget Section	40
Charges for the Nepal Escort	49
	1,32

The net debit to the military estimates by these interchanges is nearly Rs. 39 lakhs.

6. The following is a brief summary of the main points affecting the major heads of the estimates. The variations in detail will be found described against each head in the volume of detailed estimates.

Part A-I.—Maintenance of the Standing Army.

	Crores.
1924-25, Accounts	29·08
1925-26, Revised	29·40
1926-27, Budget	29·29

This is the most important head in the estimates. It covers the pay and allowances, including travelling allowances, the cost of provisions, animals, clothing and equipment issued in the course of the year to the various fighting units constituting the Standing Army in India.

In the current year's budget estimate under this head a lump sum of Rs. 40 lakhs was provided to cover the revised pay and passage concessions to officers of the Army. This has now been distributed over the appropriate heads. Similarly the current year's estimates allowed for a lump deduction of Rs. 20 lakhs to balance any over-estimation on the budget as a whole. For the same reason and because the process of subsidence is not yet complete a similar lump cut of Rs. 12 lakhs has been taken in the estimates for 1926-27. Allowance has been made for the withdrawal of the 3rd British Cavalry Regiment and also for average estimated shortages in the sanctioned strength to the extent of 800 British soldiers and 4,000 Indian soldiers due to trooping arrangements and other causes inherent in the organisation of the Army. On the other hand, larger provision has been made on account of the anticipated increases in the price of forage and articles of ration as compared with the prices adopted in the current year's estimates.

Owing to the recent revision of pay of the British soldier which gives reduced rates to all new recruits enlisting after October 1925, the expenditure under this head will undergo considerable reduction in future years. It is estimated that the combined savings from this cause and under the scheme of revision of officers' pay will amount to Rs. 12 lakhs in 1927-28 increasing each year to Rs. 60 lakhs in 1929-30 and to well over a crore of rupees from 1933.

7. *Part A-II.—Cost of Educational and Training Establishments and Working Expenses of Hospitals and Depôts.—*

	Crores.
1924-25, Accounts	7·27
1925-26, Revised	6·87
1926-27, Budget	6·92

Under this head are recorded charges connected with the various subsidiary establishments maintained for the service of the Army in India. These consist chiefly of the cost of military training and education of the soldier, British and Indian; of the supervision and working of military hospitals, arsenals, and other store depôts and of the several factories which produce munitions and equipment; of the Military Accounts offices and other miscellaneous charges. There is a saving of about Rs. 8 lakhs under Educational and Instructional establishments as compared with this year's original estimate, mainly owing to a closer estimate based on past actuals of the requirements for

practice small arms ammunition. There are small increases under most of the schools of instruction owing to distribution to this head of the cost of the revision of pay of officers, provided under Head I in lump in the current year. The working expenses of hospitals show a reduction of about Rs. 10 lakhs partly due to payment in England of overseas pay of I. M. S. officers; but real savings will accrue owing to retrenchment of officers and improvement in the health of troops as reflected in hospital charges. On the other hand, the net expenditure on the working of depôts, etc., is estimated at Rs. 33 lakhs more than in the current year's estimate. This increase, however, is mainly due to the elimination next year of a purely book credit for increase in the value of arsenal stores after repair which was counterbalanced by a corresponding debit under the Stock account head. Actual savings are expected under Supply Depôts, Remount Depôts, Dairy Farms and Military Accounts. The last reduction is anticipated partly as a probable result of the simplification of the system of cost accounting which is now under examination by the Army Accounts Committee.

8. *Part A-III.—Army Headquarters, Staff of Commands, etc.*—

	Crores.
1924-25, Accounts	2·13
1925-26, Revised	2·19
1926-27, Budget	2·22

The increased expenditure under this head is mainly due to the recent revision of pay of officers.

9. *Part A-IV.—Stock Account.*—

This is a suspense head intended for the reception of charges connected with the purchase of all varieties of military stores, pending their issue and allocation to the services of the Army concerned. Net debits or credits indicate increases or decreases in stock. In 1926-27, owing to the gradual exhaustion of useable surpluses, credit will be taken only for Rs. 25 lakhs as against Rs. 70 lakhs in the current year. Attention is invited to the statement appended to this portion of the account in the volume of detailed estimates which shows for the first time the estimated value of the stocks held in Arsenals, Factories and Supply formations.

10. *Part A-V.—Special Services.* –

	Lakhs.
1924-25, Accounts	96·9
1925-26, Revised	182·4
1926-27, Budget	74·7

The main item under this head is the heavy terminal charge for gratuities to surplus officers for which Rs. 169·4 lakhs is provided in the current year's revised estimates and Rs. 66·3 lakhs in 1926-27 after which this special liability should cease.

11. *Part A-VI.—Miscellaneous Charges and Receipts.*—

	Lakhs.
1924-25, Accounts	175·40
1925-26, Revised	80·06
1926-27, Budget	127·19

The charges under this head consist mainly of expenditure incurred on the general movements of troops and stores. Travelling allowances other than those incurred in connection with general movements are debited to the services concerned. The budget estimate for the current year was Rs. 123·4 lakhs. The difference between this figure and the revised estimate is due to book credits for adjustments on account of differences in rates of stores owing to their appreciation. The estimate for 1926-27 includes a new provision of Rs. 14 lakhs for passage concessions to officers of the Army which amount was included in the lump provision of Rs. 40 lakhs made under Head I. A.-I., in the current year. A further sum of Rs. 3 lakhs has been included owing to the transfer to this head from the Marine estimates of the maintenance charges of military launches. Other main variations include a reduction of Rs. 4 lakhs in the cost of printing and stationery according to latest estimates and a reduction of Rs. 16 lakhs in the cost of sea transport charges.

12. *Part A-VII.—Non-effective Charges and Receipts* :—

	Crores.
1924-25, Accounts	8·48
1925-26, Revised	7·72
1926-27, Budget	8·19

The smaller expenditure under the revised estimate is mainly due to the short payment to the War Office on account of revised non-effective charges already referred to. The budget for 1926-27 takes into account reductions of pensionary charges in England and India amounting to Rs. 37 lakhs mainly owing to decreasing liabilities for war pensions.

13. *Part B.—Auxiliary and Territorial Forces.*—

	Lakhs.
1924-25, Accounts	87·33
1925-26, Revised	100·27
1926-27, Budget	104·33

The estimate for the Auxiliary Force is Rs. 75·6 lakhs and for the Territorial Force Rs. 25·6 lakhs. The low direct expenditure in 1924-25 is due to consumption of surplus stores and miscellaneous credits amounting in all to Rs. 7 lakhs. The increases in subsequent years are mainly due to adjustment of expenditure for services rendered by the Military Engineering Services and also to additional provision of Rs. 2 lakhs for the guarding of armouries hitherto provided by Local Government police.

14. *Part C.—Royal Air Force.*—

	Lakhs.
1924-25, Accounts	181·13
1925-26, Revised	221·23
1926-27, Budget	179·02

The original Budget Estimate for 1925-26 was Rs. 187·29 lakhs and the increase in the revised estimate is mainly due to expenditure on Frontier operations and on special supplies of stores. The decrease in 1926-27 is due mainly to the completion of the special building programme. Provision has, however, been made for reserves of spare parts and bombs.

15. *Marine.*—

	Lakhs.
1924-25, Accounts	630
1925-26, Revised	587
1926-27, Budget	609

Provision has been made on the basis of the existing organisation for the present. Capital developments under the proposed reorganisation will be met from the sale-proceeds of the Kidderpore Dockyard at present retained in a suspense account for this purpose to the extent of over Rs. 20 lakhs.

16. *Military Engineering Services.*—

	Crores.
1924-25, Accounts	3·93
1925-26, Revised	3·33
1926-27, Budget	3·15

The main cause of the difference between the accounts of 1924-25 and the estimated revised net expenditure for 1925-26 lies in the larger provision in the latter year for receipts (an increase of over Rs. 50 lakhs) due to the expansion of the costing system under which units and formations are charged for water and light supplied by the Engineering Services. These receipts are balanced by increased expenditure under the Army and other Heads. The provision for 1926-27 includes an additional Rs. 20 lakhs mainly for acceleration of the programme of new lines for Indian troops. This amount will, it is estimated, be covered by receipts from the sale of surplus lands and buildings which are being placed to a suspense account to finance improved accommodation and amenities for the troops. The proposal to charge rent to Army formations for barracks, etc., has been held in abeyance pending the report of the Committee on Army accounts.

17. Statements are appended to this Memorandum which give actual and estimated gross and net expenditure figures from 1922-23 under Army, Marine, Military Engineer Services and also the totals.

18. If Honourable Members desire any further information on the details of the Military Budget, they are invited to obtain it by personal request to the Financial Adviser, Military Finance.

(Sd.) A. F. L. BRAYNE,
Financial Adviser, Military Finance.

The 25th March 1926.

ARMY.

		Actuals, 1922-23.	Actuals, 1923-24.	Actuals, 1924-25.	1925-26. Budget.	1925-26. Revised.	Budget, 1926-27.
EXPENDITURE.		R	R	R.	R	R	R.
India—							
Part A.—Standing Army.							
Effective Services.							
Maintenance of the Standing Army.		30,29,54,305	28,59,49,583	27,42,42,220	27,37,35,300	27,45,12,000	27,26,80,780
Cost of Educational, etc., establishments and working expenses of Hospitals, Depôts, etc.		9,40,68,032	9,02,53,323	8,67,68,224	8,24,17,800	8,24,03,000	8,48,06,560
Army Headquarters, Staff of Commands, etc.		2,14,30,704	2,03,41,847	2,12,09,410	2,02,73,730	2,11,04,000	2,14,70,610
Stock Account.		—2,98,64,230	—3,04,03,308	—3,08,41,326	—1,16,09,650	—82,67,000	—1,62,54,480
Special Services		5,45,82,360	1,88,49,069	43,97,372	58,85,260	58,97,000	25,09,500
Miscellaneous Charges		1,94,78,050	33,47,396	2,06,17,557	90,77,420	58,98,000	95,06,030
Unadjusted Expenditure.		—24,84,020	—13,51,003	—1,49,515	...	...	...
TOTAL—*EFFECTIVE*	R	46,01,74,801	37,99,86,308	37,62,43,942	37,97,20,600	38,15,47,000	37,47,79,000
NON-EFFECTIVE SERVICES—							
Non-effective charges	R	5,02,75,452	5,74,71,540	5,10,78,406	5,11,09,000	4,76,89,000	4,86,98,000
Part B.—Auxiliary and Territorial Forces—Effective	R	95,45,770	1,05,41,555	87,38,266	1,02,32,000	1,00,28,000	1,04,33,000
Part C.—Royal Air Force (Effective	R	1,10,55,114	1,46,13,236	1,28,54,118	1,41,11,000	1,53,09,000	1,31,48,000
Part C.—Royal Air Force (Non-Effective	R	...	3,479	1,361	21,000	21,000	5,000
	R	1,10,55,114	1,46,16,715	1,23,55,479	1,41,32,000	1,53,30,000	1,31,53,000
TOTAL INDIA. (Effective	R	48,07,75,685	40,51,41,099	39,73,36,326	40,47,63,000	40,68,84,000	39,83,60,000
TOTAL INDIA. (Non-Effective	R	5,02,75,452	5,74,75,019	5,10,79,766	5,11,30,000	4,77,10,000	4,86,98,000
		54,00,51,137	46,26,16,118	44,84,16,092	45,58,93,000	45,45,94,000	44,70,58,000
EXPENDITURE.		£	£	£	£	£	£
England—							
Part A.—Standing Army.							
Effective Service.							
Maintenance of the Standing Army.		2,196,815	2,875,730	2,419,414	2,476,000	2,538,600	2,614,400
Cost of Educational, etc., establishments and working expenses of Hospitals, Depôts, etc.		235,000	214,700	268,606	245,700	324,900	316,700
Army Headquarters, Staff of Commands, etc.		51,108	40,665	44,234	44,000	79,000	73,000
Stock Account.		1,813,415	1,115,552	1,764,535	1,036,700	1,135,800	1,257,300
Carried over	£	5,296,598	4,246,647	4,516,789	3,802,400	4,088,300	4,261,400
	R	54,00,51,137	46,26,16,118	44,84,16,092	45,58,93,000	45,45,94,000	44,70,58,000

ARMY—*contd.*

		Actuals, 1922-23.	Actuals, 1923-24.	Actuals, 1924-25.	1925-26. Budget.	1925-26. Revised.	Budget, 1926-27.
Brought forward	R	54,00,51,137	46,20,16,118	44,84,16,092	45,58,93,000	45,45,94,000	44,70,58,000
	£	5,206,306	4,246,647	4,516,780	3,803,400	4,055,300	4,261,400
Special Services	£	454,904	611,573	529,441	1,200,000	1,236,000	490,000
Miscellaneous Charges	£	740,124	659,894	523,552	631,000	602,500	510,500
TOTAL—*EFFECTIVE*	£	6,491,426	5,518,114	5,569,813	5,633,400	5,925,800	5,261,900
NON-EFFECTIVE SERVICES—							
Non-effective charges	£	3,421,204	3,640,084	3,685,848	3,695,300	3,156,900	3,576,100
Part C.—Royal Air Force—(Effective)	£	788,271	516,045	568,339	554,100	670,600	562,600
	£	10,700,901	9,684,143	9,823,000	9,882,800	9,750,300	9,402,600
TOTAL ENGLAND—Effective	R	7,27,96,971	6,03,71,506	6,13,81,504	6,18,75,000	6,00,24,000	5,82,46,000
TOTAL ENGLAND—Non-Effective	R	3,42,12,042	3,64,69,838	3,68,58,484	3,69,53,000	3,15,69,000	3,57,81,000
	R	10,70,09,013	9,68,41,434	9,82,30,088	9,88,28,000	9,75,93,000	9,40,26,000
TOTAL EXPENDITURE—Effective	R	55,35,72,656	46,55,12,695	45,87,17,830	46,00,38,000	47,20,08,000	45,60,05,000
TOTAL EXPENDITURE—Non-Effective	R	9,34,87,494	9,30,44,857	8,79,36,250	8,80,63,000	7,02,70,000	8,44,79,000
	R	64,70,60,150	55,85,57,552	54,66,56,080	55,47,31,000	55,21,67,000	54,10,84,000
REVENUE.							
India—Effective	R	3,74,90,393	3,07,32,005	2,91,85,081	2,47,01,000	2,42,24,000	2,46,07,000
India—Non-Effective	R	18,75,003	20,91,011	19,99,085	13,99,000	13,55,000	14,07,000
India—TOTAL	R	3,93,65,396	3,28,23,076	3,11,84,766	2,61,00,000	2,55,79,000	2,60,14,000
England	£	900,750	480,022	473,291	406,800	326,700	390,200
Effective	R	74,81,527	36,00,935	36,41,412	29,93,000	26,27,000	27,99,000
Non-Effective	R	15,25,970	11,99,288	10,91,490	10,75,000	6,40,000	11,03,000
TOTAL	R	90,07,497	48,00,223	47,32,902	40,68,000	32,67,000	39,02,000
TOTAL REVENUE—Effective	R	4,49,71,920	3,43,33,000	3,28,27,093	2,77,84,000	2,68,51,000	2,74,06,000
TOTAL REVENUE—Non-Effective	R	34,00,973	32,90,299	30,90,575	23,84,000	19,95,000	25,10,000
TOTAL REVENUE—TOTAL	R	4,83,72,893	3,76,23,299	3,59,17,668	3,01,68,000	2,88,46,000	2,99,16,000
NET EXPENDITURE—India	R	50,06,85,741	42,97,93,042	41,72,31,326	42,97,93,000	42,90,15,000	42,10,44,000
NET EXPENDITURE—England	R	9,80,01,516	9,20,41,211	9,35,07,080	9,47,60,000	9,43,26,000	9,01,24,000
NET EXPENDITURE—Effective	R	50,86,00,736	43,11,79,695	42,58,90,737	43,88,54,000	44,60,57,000	43,91,99,000
NET EXPENDITURE—Non-Effective	R	9,00,86,521	9,06,54,568	8,48,47,675	8,56,99,000	7,72,84,000	8,19,69,000
NET EXPENDITURE—TOTAL	R	59,86,87,257	52,18,34,253	51,07,38,412	52,45,53,000	52,33,41,000	51,11,68,000

MARINE.

		Actuals, 1922-23.	Actuals, 1923-24.	Actuals, 1924-25.	1925-26. Budget.	1925-26. Revised.	Budget, 1926-27.
EXPENDITURE.							
India	R	1,13,49,218	71,46,317	52,18,321	62,11,000	52,29,000	56,62,000
England	£	264,940	250,811	219,240	208,900	191,200	221,800
	R	26,49,400	25,08,108	21,92,396	20,89,000	19,12,000	22,18,000
Total Expenditure	R	1,39,98,618	96,54,425	74,10,717	83,00,000	71,41,000	78,80,000
REVENUE.							
India	R	32,72,538	24,73,367	11,12,931	9,33,000	12,82,000	17,87,000
England	£	...	...	...	...	...	...
	R	...	...	...	...	...	...
Total Revenue	R	32,72,538	24,73,367	11,12,931	9,33,000	13,82,000	17,87,000
NET EXPENDITURE. India	R	80,76,680	46,72,950	41,05,390	52,78,000	39,47,000	38,75,000
NET EXPENDITURE. England	R	26,49,400	25,08,108	21,92,396	20,89,000	19,12,000	22,18,000
NET EXPENDITURE. Total	R	1,07,26,080	71,81,058	62,97,786	73,67,000	58,59,000	60,93,000

MILITARY ENGINEER SERVICES.

		Actuals, 1922-23.	Actuals, 1923-24.	Actuals, 1924-25.	1925-26. Budget.	1925-26. Revised.	Budget, 1926-27.
EXPENDITURE.							
India	R	4,74,71,301	4,05,97,369	4,20,54,793	3,91,42,000	4,17,21,000	4,25,98,000
England	£	163,869	72,242	53,028	45,400	34,000	21,700
	R	15,28,886	7,22,414	5,30,287	4,54,000	3,40,000	2,17,000
TOTAL	R	4,90,00,187	4,13,19,783	4,25,85,080	3,95,96,000	4,20,61,000	4,28,15,000
REVENUE.							
India	R	57,33,434	80,59,731	32,31,060	90,16,000	84,61,000	1,12,76,000
NET EXPENDITURE. India	R	4,17,37,867	3,25,37,638	3,87,73,733	3,01,26,000	3,32,60,000	3,13,22,000
NET EXPENDITURE. England	R	15,28,886	7,22,414	5,30,287	4,54,000	3,40,000	2,17,000
NET EXPENDITURE. TOTAL	R	4,32,66,753	3,32,60,052	3,93,04,020	3,05,80,000	3,36,00,000	3,15,39,000

TOTAL MILITARY SERVICES: SUMMARY.

		Actuals, 1922-23.	Actuals, 1923-24.	Actuals, 1924-25.	1925-26. Budget.	1925-26. Revised.	Budget, 1926-27.
Expenditure.							
India	R	59,88,71,660	51,03,59,804	49,56,89,200	50,12,46,000	50,16,44,000	49,53,18,000
England	£	11,118,730	10,007,196	10,093,267	10,137,100	9,984,500	9,646,100
	R	11,11,87,260	10,00,71,956	10,09,62,671	10,13,71,000	9,98,45,000	9,64,61,000
Total Expenditure	R	71,00,58,955	61,04,31,760	59,66,51,877	60,26,17,000	60,13,89,000	59,17,79,000
Revenue.							
India	R	4,83,71,368	4,33,56,174	3,55,78,757	3,60,49,000	3,53,22,000	3,90,77,000
England	£	900,750	480,032	473,391	406,800	326,700	390,200
	R	90,07,497	48,00,223	47,32,902	40,68,000	32,67,000	39,02,000
Total Receipts	R	5,73,78,865	4,81,56,397	4,03,11,659	4,01,17,000	3,85,89,000	4,29,79,000
Net Expenditure. India	R	55,05,00,288	46,70,03,630	46,01,16,449	46,51,97,000	46,62,32,000	45,62,41,000
Net Expenditure. England	R	10,21,79,802	9,52,71,733	9,62,29,769	9,73,03,000	9,65,78,000	9,25,59,000
Net Expenditure. Total	R	65,26,80,090	56,22,75,363	55,63,40,218	56,25,00,000	56,28,00,000	54,88,00,000

APPENDIX III.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PREFATORY NOTE.

I.—Scope of pro formâ *account.*

The following *pro formâ* account, with its supporting statements, exhibits the expenditure, initial and annual, on Delhi and the Delhi Province and also any receipts and savings which form a direct set-off to that expenditure. The account has been prepared in consultation with the Auditor General and carries his approval as regards both its form and its substantial completeness at the present date subject to the qualifications implied in the following prefatory remarks; it will be added to, or amplified later, if experience should show this to be necessary.

2. The main item of the account, as regards non-recurring expenditure, is the Delhi project proper, the figures for which appear against item 1 of Part I.—*Initial Outlay.* The principal recurring charge is that representing the expenditure in the new province, which appears as item 1 of Part II—*Annual Expenditure.*

3. The account necessarily exhibits any expenditure occurring under the named heads, without qualification on account of contributory causes. It must, therefore, be clearly understood that the increase of expenditure, including that in the Delhi Province, is not wholly due to the change of Capital. Thus, an increase of the garrison at Delhi on strategic grounds had been already independently and strongly recommended to the Government of India by the Chief of the General Staff and endorsed by His Excellency the Commander-in-Chief in July 1911, before the transfer of the Capital had been officially proposed, and the construction of the accommodation of the troops already there had long been recognised as pressing. Similarly the recent advance in the policy relating to education and sanitation, particularly the latter, would, under any circumstances, have involved increased expenditure in the city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance. The same principle will be applied to the Railway expenditure, *i.e.*, the cost of any remodelling of the railway system which is connected with the constitution of the new Capital will be exhibited in full in the *pro formâ* account. A wholly independent railway requirement, such as the permanent marshalling yard which will eventually replace the temporary yard now in use, will not be shown.

II.—Relation between the pro formâ *account and the regular accounts.*

4. A brief explanation is added below connecting the various items in the *pro formâ* account with the entries in the published accounts and estimates. Some further explanations are also to be found in the account itself and in its supporting statements.

5. The capital expenditure directly incurred on the construction of the new Imperial Capital at Delhi is shown in the regular accounts under the special head "57—Initial Expenditure on the new Capital at Delhi." The only other item of expenditure which will be recorded in the capital section of the regular accounts is that arising from diversions or re-arrangements of the railway system, which will appear under the head "53—State Railways." Item 1 of Part I of *pro formâ* account. Item 3(*b*), *ibid.*

6. The initial expenditure incurred during the years 1911-12 and 1912-13 in connection with the provision of temporary accommodation for the Government of India at Delhi, pending the construction of the new Capital, has been treated, on the advice of the Auditor General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "41—Civil Works". Any non-recurring receipts which may eventually be obtained in connection with these temporary works, *e.g.*, from the sale of lands and buildings when no longer required by the Government of India, will be similarly credited under a special head subordinate to the major head "XXX—Civil Works". Item 2, *ibid.* Item II, *ibid.*

7. The remaining expenditure is mainly brought to account in one of two ways: either, first, as expenditure of the new Province; or secondly, as departmental expenditure chargeable to the Department in which it is incurred. Items I and I of Part II of *pro formâ* account.

8. The expenditure and receipts appertaining to the *quasi*-provincial administration of the Imperial area are brought to account in the same way as in the case of other minor administrations. It will be noted that any grants which may be specially given from Imperial revenues in aid of the Delhi Municipality or other local funds will be brought into the regular accounts and consequently, into the *pro formâ* account also, since they will appear as charges of the Delhi administration.

9. Expenditure which does not appertain to provincial administration is recorded, as in the case of other provinces, under its appropriate departmental head in the regular accounts. Thus expenditure on the land and buildings required for the new Cantonment, and any corresponding receipts, appear under the Army and Military Works heads respectively, under both of which a special Delhi sub-head has been opened. Railway capital outlay has already been referred to. Railway revenue charges and receipts similarly come under the Railway account head. In these cases, the *pro formâ* account necessarily exhibits only initial expenditure and non-recurring receipts, as Military expenditure is not being permanently increased and the influence of the new Capital on the ordinary daily receipts and working expenses of the Railways cannot evidently be satisfactorily isolated. This latter consideration also applies to the case of Postal and Telegraph expenditure, which moreover represents ordinary administrative expenditure of the department, and is relatively insignificant in amount. For these reasons, in the case of this department neither the initial outlay nor the recurring receipts and expenditure have been included. Items 3 (*a*) and III of Part I of *pro formâ* account.

Items 4 to 7 and I and IV of Part I, and Items 2 and II to IV of Part II of *pro formâ* account.

10. There are also a few items of expenditure and of actual receipt or of definite saving which are not recorded in the accounts of the Delhi Province or in the departmental accounts, but which it is necessary to take into consideration in calculating the expenditure on Delhi and the Delhi Province. Most of these are self-explanatory, but attention may be called to the intended treatment of the sale-proceeds of vacated lands and buildings at Calcutta (if any) and elsewhere. These will be credited under the major heads "XXXV—Miscellaneous" and "XXX—Civil Works", and the *pro formâ* account will take credit only for actual Imperial receipts. No account will be taken, in the statements themselves, of book transactions, or of the considerable savings obtained from the vacation of rented accommodation, *i.e.*, of relief in respect of rental payments which the Local Government obtains by giving up private buildings previously leased for provincial establishments, and moving the latter into offices formerly occupied by the Government of India. Any reference made to such saving will, therefore, be found in an explanatory footnote. [See Part I, Note 5.]

Item 1 of Part I.

11. Outlay on stores and all other expenditure incurred in England under a capital head or as a revenue charge, which can be distinguished as appertaining to the construction of Delhi or to the administration of the Delhi Province, have been included in the *pro formâ* account.

PRO FORMÂ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART I.—INITIAL OUTLAY.

Figures in thousands of Rupees.]

Expenditure.	Actuals to end of 1924-25.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.	Receipts.	Actuals to end of 1924-25.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
1. DELHI PROJECT: Capital outlay on Permanent Delhi chargeable to Head "57" (for details see Statement I-A)	10,98,99	1,35,00	1,00,50	I.—Receipts which may be obtained on account of Imperial buildings vacated by the Government of India or attached offices in consequence of the move (a)	10,00	...	...
2. Temporary Delhi *	64,33	...	...				
3. Initial expenditure of non-Civil Departments:—							
(a) Military services †	1,04,03	3,15	3,27				
(b) Railways ‡	88,10	3,07	—1,14				
4. Non-recurring grant to the Punjab Government in compensation for expenditure incurred on new headquarters buildings for the Commissionership transferred from Delhi	1,36	...	...	II.—Non-recurring receipts on account of Temporary Works	2	...	...
5. Cost of withdrawal to Delhi of Imperial offices previously located at Calcutta or elsewhere	2,77	35	18	III.—Recoveries on account of land or buildings vacated in the old Cantonment of Delhi	...	...	...
6. Special non-recurring monetary concessions to establishments of the Government of India and attached offices on the occasion of their first move to Delhi	7,19	53	61	IV.—Miscellaneous Items	8,20	20	20
7. Miscellaneous items §	9,10	41	14				
TOTAL	13,65,86	1,43,41	1,03,86	TOTAL	37,28	20	20
Total expenditure to end of 1926-27		16,13,13		Total receipts to end of 1926-27		27,08	
Net expenditure to end of 1926-27		15,85,45					

* NOTE 1.—The head "Temporary Delhi" has been closed from 1st April 1913, subsequent expenditure being treated as part of the expenditure of the Delhi Province—see Part II of Account.

† NOTE 2.—The expenditure included under item 3 (*a*) is that relating to the formation of the new Cantonment. Its details are as follows:—

	To end of 1924-25.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
Acquisition of land	13,20	...	
Cost of buildings	82,05	3,13	3,27
Establishment charges	6,71	3	...
Tools and plants	2,06	...	...
TOTAL	1,04,03	3,15	3,27

‡ NOTE 3.—The figures relate to charges for the acquisition of land and outlay on railway facilities at Nanal Raya. These figures include transactions on account of Delhi New Capital Railway Work also.

§ NOTE 4.—The expenditure shown against item 7 represents mainly the proportionate cost of the Office of the Accountant General, Central Revenues, and the cost of temporary establishment employed in the Secretariats in connection with the change of Capital.

‖ NOTE 5.—These heads will record only actual receipts obtained from the sale of the vacated buildings and land. As explained in paragraph 40 of the Prefatory Note, this procedure has the effect of excluding a substantial true saving in respect of rented accommodation. Thus from 1912-14 to 1924-25 the Government of Bengal, by moving its offices into the vacated Imperial buildings in Calcutta, saved Rs. 8,97,200: partly by being enabled to dispense with private accommodation previously leased, and partly by being relieved from the necessity of renting further accommodation.

Up to 1923-24	8,53,810
	43,390
TOTAL	8,97,200

(*a*) The amount represents value of premises No. 2, Koilaghat Street sold to E. B. Railway.

PRO FORMÂ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of Rupees.]

Expenditure.	Actuals, 1924-25.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.	Receipts.	Actuals, 1924-25.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
1. Expenditure of Delhi Province*	59,01	71,49	76,59	I.—Revenue of Delhi Province *	34,59	36,09	35,07
2. Miscellaneous items	60	85	85	II.—Saving under Calcutta house allowances †	43	41	43
				III.—Saving under hill journey and travelling allowances and contingencies on account of shorter move of Secretariat and attached offices ‡	2,50	2,50	2,50
Total expenditure	59,61	72,34	77,44	IV.—Miscellaneous items	3	3	3
Net expenditure	22,06	33,31	39,41	Total receipts	37,55	39,03	38,03

* NOTE 1.—The details of this item are given in Statement II-A.

† NOTE 2.—The figure shown against item II will be subject to increase as additional officers are successively transferred from Calcutta to Delhi.

‡ NOTE 3.—The figure shown against item III is a minimum figure calculated once for all on the assumption that all offices or portions of offices which previously moved between Calcutta and Simla have subsequently moved regularly between Delhi and Simla. The actual saving throughout has been large owing to certain establishments which previously moved to Calcutta being retained in Simla throughout the cold weather.

STATEMENT I-A.

Details of Capital outlay on the Delhi Project working up to the total figures shown against item 1 in Part I of pro formâ *account.*

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1924-25.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
A.—Salaries and allowances—			
(*a*) Preliminary Investigation—			
(i) Gazetted officers	2,04	...	...
(ii) Non-gazetted officers	14	...	...
(*b*) Public works and electrical officers employed on the Project—			
(i) Gazetted officers	76,88	8,41	7,87
(ii) Non-gazetted officers	51,05	9,18	10,19
(*c*) Miscellaneous officers (including all others employed on the Project)—			
(i) Gazetted officers	5,05	47	48
(ii) Non-gazetted officers	3,90	56	56
(*d*) Leave allowances	...	...	55
B.—Travelling allowances of officers and Establishments—			
(*a*) Preliminary Investigation—			
(i) Gazetted officers	23	...	...
(ii) Non-gazetted officers	2	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers	6,76	64	74
(ii) Non-gazetted officers	3,89	48	48
(*c*) Miscellaneous officers including all others employed on the Project—			
(i) Gazetted officers	62	8	8
(ii) Non-gazetted officers	38	10	10
C.—Supplies, Services and Contingencies—			
(*a*) Preliminary investigation	51	...	...
(*b*) Public Works and Electrical officers employed on the Project	5,59	64	74
(*c*) Miscellaneous officers employed on the Project	44	1	1
Loss on account of Exchange	...	68	94
Total A, B and C	1,57,50	21,25	22,74
Deduct—Credits from other heads of accounts	*30,27*	*4,34*	*5,89*
Net total A, B and C carried over	1,27,23	16,91	16,85

Details of Capital outlay on the Delhi Project working up to the total figures shown against item I in Part I of pro formâ *account*—contd.

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1924-25.	Revised Estimate, 1925-26.	Budget Estimate, 1926-27.
Brought forward Net total A, B. C.	1,27,23	16,91	16,85
D.—Works Expenditure—			
(i) Buildings—			
(*a*) Government House	62,10	13,00	30,00
(*b*) Secretariats	1,17,87	24,25	24,00
(*c*) Other buildings	1,85,57	15,00	32,20
(*d*) Legislative Chambers	36,97	17,00	25,00
(ii) Communications	26,14	2,50	2,70
(iii) Miscellaneous Public Improvements	13,61	1,75	3,50
(iv) Electric Light and Power	51,35	6,75	5,00
(v) Irrigation	39,01	50	1,00
(vi) Sanitation including storm-water drains, sewage and sewerage disposal, water-supply and conservancy	96,05	8,50	8,50
(vii) Tools and plant	87,61	3,00	1,00
(viii) Stock and Suspense	81,61	19,32	—25,00
(ix) Miscellaneous	91,53	—1,00	1,00
(x) Maintenance during construction	70,44	12,99	5,50
Railway diversion	14,29	—47	...
E.—Acquisition of land taken up for the Project	34,09	...	...
F.—Other Miscellaneous expenditure	6	...	...
Minus Reserve	...	...	—25,75
Deduct—Receipts on Capital Account	*36,54*	*5,00*	*5,00*
TOTAL	10,98,99	1,35,00	1,00,50

STATEMENT II-A.

Revenue and Expenditure of Delhi and Delhi Province.

[Figures in thousands of rupees.]

Receipts.				Expenditure.			
Major Heads of Accounts.	Actuals for 1924-25.	Revised Estimate for 1925-26.	Budget Estimate for 1926-27.	Major Heads of Accounts.	Actuals for 1924-25.	Revised Estimate for 1925-26.	Budget Estimate for 1926-27.
I.—Customs	1,02	1,50	...	2. Taxes on Income	25	44	44
II.—Taxes on Income	9,56	9,08	9,74	5. Land Revenue	41	47	50
IV.—Opium	37	...	...	6. Excise	12	3,53	3,54
V.—Land Revenue	3,41	3,90	3,97	7. Stamps	7	14	13
VI.—Excise	3,88	6,70	6,97	9. Registration	8	7	9
VII.—Stamps	7,18	7,90	8,00	15. Miscellaneous Irrigation Expenditure.	50	75	70
IX.—Registration	46	47	47	22. General Administration	3,28	3,42	3,34
XIV.—Irrigation works for which no Capital Account is kept	3	4	4	23. Audit (a)	37	21	21
XVI.—Interest	2	18	17	24. Administration of Justice	1,71	1,80	2,15
XVII.—Administration of Justice	28	32	32	25. Jails and Convict Settlements	1,47	1,28	1,21
XVIII.—Jails and Convict Settlement	32	21	21	26. Police	7,87	8,34	8,10
XIX.—Police	19	19	19	28. Ecclesiastical	30	23	25
XXI.—Education	14	18	70	29. Political	3	1	2
XXII.—Medical	11	12	12	30. Scientific Departments	1	1	1
XXV.—Industries	2	...	...	31. Education	5,26	5,94	6,20
XXVI.—Miscellaneous Departments	6	7	9	32. Medical	3,97	5,05	5,30
XXX.—Civil Works	4,38	2,32	2,32	33. Public Health	27	88	1,58
XXIII.—Receipts in aid of Superannuation	21	17	17	34. Agriculture	14	32	37
XXIV.—Stationery and Printing	3	5	5	35. Industries	10	11	11
XXXV.—Miscellaneous	2,10	1,70	1,54	37. Miscellaneous Departments	..	1	2
				38. Currency	8	8	8
				41. Civil Works	22,54	25,12	31,05
				Civil Works—Viceregal Estates, Delhi	1,04	1,40	1,67
				44. Territorial and Political Pensions	48	55	75
				45. Superannuation Allowances and Pensions	2,14	4,03	2,80
				46. Stationery and Printing	3	5	5
				47. Miscellaneous	4,30	4,74	4,75
				Refunds	1,30	1,52	1,47
Total	34,59	36,09	35,07	Total	59,01	71,49	76,59

(a) Excludes proportionate cost of the office of the Accountant General, Central Revenues, Delhi, debitable to part I.

Appen

COMMERCIAL AND

TABLE I—

Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works, Telegraphs Vizagapatam Harbour, Security Printing, the Delhi Capital and commuted value of pensions not charged against Revenue—	1917-1918.	1918-1919.	1919-1920.	1920-1921.
	Rs.	Rs.	Rs.	Rs.
Surplus	12,13,06,110	...	...	...
Deficit	...	5,73,06,135	23,65,28,825	20,00,65,276
Capital Expenditure on Railways and Irrigation works not charged against Revenue.	5,91,66,825	7,64,13,315	14,42,99,228	26,55,72,106
Capital charged involved in the purchase of Railways.	...	...	...	...
Capital outlay on the Postal and Telegraph Department not charged against Revenue.	...	...	...	...
Capital outlay on Vizagapatam Harbour and Security Printing not charged against Revenue.	...	...	...	...
Initial Expenditure on New Capital at Delhi.	37,58,145	42,66,685	50,35,427	1,35,75,011
Commuted value of pensions not charged against Revenue.	...	...	...	...
India's Financial Contribution to the War.	1,50,00,00,000	...	...	...
Net Public Debt incurred	1,73,76,00,090	11,47,30,575	8,90,70,517	52,34,07,498
Net public debt incurred, including Capital transactions with Railway Companies.	1,72,94,94,174	10,22,96,861	8,22,32,396	51,76,91,264
Value of commodities exported, excluding Gold and Silver.	2,44,90,40,000	2,55,30,90,000	3,36,02,20,000	2,67,76,80,000
Value of commodities imported, excluding Gold and Silver.	1,64,35,50,000	1,88,56,20,000	2,21,70,20,000	3,47,57,40,000
Excess of Exports over Imports, excluding Gold and Silver.	80,54,90,000	66,74,70,000	1,14,32,00,000	(c)—79,80,60,000
Net Imports of Gold	25,17,80,000	†—5,56,40,000	35,33,00,000	2,10,80,000
Ditto of Silver	19,04,20,000	67,91,90,000	29,22,90,000	6,48,40,000
TOTAL NET IMPORTS OF GOLD AND SILVER.	44,22,00,000	62,35,50,000	64,55,90,000	8,59,20,000
Excess of Exports over Imports including Gold and Silver.	36,32,90,000	4,39,20,000	49,76,10,000	(c)—88,39,80,000
Net Imports of Currency Notes *	...	...	...	...
Excess of Exports over Imports including Gold, Silver and Currency Notes.	36,32,90,000	4,39,20,000	49,76,10,000	(c)—88,39,80,000
Secretary of State's Bills sold (Rupees).	§ 50,63,67,176 (a)	(a) 28,65,41,000	34,54,98,000	...
Sterling Equivalent received	§ 34,880,652 (a)	(a) 20,946,314	31,226,219	...
Silver coined at the Indian Mints	23,87,07,287	52,05,35,310	37,72,19,757	3,41,30,039

* Recorded from
† Represents net
§ Includes remittances of the
(a) Includes remittances of the
(b) Figures for 11 months
(c) Not
‡ Net
(d) Figures included

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FINANCIAL STATISTICS.

MISCELLANEOUS.

1921-1922.	1922-1923.	1923-1924.	1924-1925.	1925-1926, Revised.	1926-1927, Budget.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	...	2,38,90,758	5,08,25,008	1,30,38,000	5,31,000
27,65,01,700	15,01,76,392	...	...	...	...
22,07,57,115	18,45,67,524	20,80,11,576	13,46,01,264	19,48,85,000	25,00,45,000
...	...	...	...	3,41,55,000	...
81,61,617	65,62,000	75,21,560	1,17,55,881	2,28,02,000	80,32,000
...	...	...	...	53,04,000	54,42,000
1,35,27,418	1,84,79,432	1,54,73,052	1,42,18,868	1,35,00,000	1,00,50,000
...	...	...	...	...	35,00,000
...	...	...	...	..	...
49,19,30,108	25,61,19,053	17,67,00,540	9,02,96,934	—3,98,00,000	—59,17,000
49,75,33,002	35,26,11,589	16,64,05,856	9,13,70,596	—4,07,00,000	—1,55,83,000
2,48,65,50,000	3,16,07,20,000	3,63,37,60,000	4,00,24,30,000	(b) [illegible]	
2,82,59,80,000	2,46,19,20,000	2,37,18,30,000	2,53,30,50,000	(b) 2,12,[illegible]	
(c)—33,94,00,000	69,88,00,000	1,26,19,30,000	1,46,87,80,000	(b) 1,36,11,20,000	
—2,86,40,000	41,19,10,000	29,18,70,000	73,03,60,000	(b) 30,09,80,000	
15,09,60,000	18,35,40,000	18,69,80,000	20,07,40,000	(b) 10,11,40,000	
12,23,20,000	59,54,50,000	47,88,50,000	94,00,00,000	(b) 43,31,30,000	
(c)—46,17,20,000	10,33,50,000	78,30,80,000	52,87,60,000	(b) 89,90,00,000	
...	4,01,70,000	1,64,60,000	3,00,000	(b)[illegible] 24,50,000	
(c)—46,17,20,000	9,31,80,000	76,66,20,000	52,84,60,000	(b) 90,14,30,000	
...	3,75,00,000	12,68,50,000	10,00,00,000	...	
...	2,570,025	8,738,704	7,579,162	...	
1,60,86,638	62,75,446	50,00,791	33,25,391	(d) 30,73,448	

April 1922.
exports of gold.
Gold Standard Reserve.
Currency Department.
(April to February).
imports.
exports.
up to February 1926.

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COMMERCIAL AND

TABLE I—

	1917-1918.	1918-1919.	1919-1920.	1920-1921.
Maximum price in pence of an oz. troy standard Silver in London R	55 (21st to 24th Sept. 1917).	50 (28th March 1919).	89½ (11th Feb. 1920).	72½ (7th April 1920).
Minimum price in pence of an oz. troy standard Silver in London.	36 9/16 (13th to 17th April 1917).	45¼ (8th to 10th April 1918)	48 11/16 (4th April and 6th May 1919).	30¼ (5th March 1921).
Average Exchange upon Secretary of State's Bills sold per rupee.	1s. 4·536d.	1s. 5·544d.	1s. 9·691d.	...
Average of the daily telegraphic transfer rates from Calcutta on London.	...	...	...	1s. 8·66d.
Rate of Exchange for the adjustment of transactions between the Indian and Imperial Governments.	1s. 4d. and 1s. 5d.	1s. 5d. and 1s. 6d.	1s. 6d., 1s. 8d., 2s. 4d. and 2s. 9d.	2s. 8d., 2s. 4d., 2s. 2½d., 2s., 1s. 11d., 1s. 10½d., 1s. 8½d., 1s. 5½d. 1s. 3d., & 1s. 4¼d.
Maximum rate of discount on loans on demand at the Imperial Bank of India, Calcutta.	6 (1st April to 6th Sept. 1917 and 3rd Jany. to 31st March 1918).	7 (16th Jan. to 26th Mar. 1919.)	7 (12th to 31st Mar. 1920).	7 (1st Apl. to 9th June 1920, 18th Nov. 1920 to 2nd Mar. 1921).
Minimum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta.	5 (7th Sept. 1917 to 2nd Jany. 1918).	5 (23rd May to 6th Nov. 1918).	5 (5th June 1919 to 14th Jan. 1920).	5 (1st July to 3rd Nov. 1920).
Maximum rate of discount at the Bank of England.	5½ (3nd to 4th April 1917).	5 (1st Apl. 1918 to 31st Mar. 1919).	6 (6th Nov. 1919 to 31st Mar. 1920).	7 (15th April 1920 to 31st Mar. 1921).
Minimum rate of discount at the Bank of England.	5 (5th April 1917 to 31st March 1918).		5 (1st April 1919 to 5th Nov. 1919).	6 (1st to 14th April 1920).
Maximum Government balances at the Imperial Bank of India.	22,65,24,000 (June)	18,60,47,000 (Sept.)	18,26,38,000 (Feb.)	20,28,41,000 (July)
Minimum Government balances at the Imperial Bank of India.	7,37,68,000 (Nov.)	6,54,89,000 (April)	7,04,52,000 (Sept.).	5,84,93,000 (Feb.).
Maximum price in Calcutta of 5 per cent. War loan, 1929-47.	...	93	95	90
Minimum price in Calcutta of 5 per cent. War Loan, 1929-47.	...	90	90	77
Maximum price in Calcutta of 5 per cent income-tax free loan, 1945-55.	...	...	95½ to 96	95½ to 96
Minimum price in Calcutta of 5 per cent. income-tax free loan, 1945-55.	...	...		78½
Maximum price in Calcutta of Government 3½ per cent. Rupee Securities (Guaranteed).	70 (6th to 14th Sep. and 31st Oct. 1917 to 17th Feb. 1918).	81 (7th to 21st Nov. 1918).	71 (1st April to 17th May 1919).	60 (1st to 16th April 1920 and 5th to 15th January 1921).
Minimum price in Calcutta of Government 3½ per cent. Rupee Securities (Guaranteed).	67 (20th June to 24th Augt. 1917).	65 (3rd May to 24th June 1918).	60 (27th Feb. to 31st Mar. 1920).	52 (1st Nov. to 13th Dec. 1920).
Maximum price in Calcutta of 3 per cent. Rupee Securities.	60 (6th to 14th Sep. and 31st Oct. to 16th Mar. 1918).	60 (5th to 22nd Nov. 1918).	62 (1st April to 17th May 1919).	50 (1st April to 5th Oct. 1920 and 5th to 15th January 1921).
Minimum price in Calcutta of 3 per cent. Rupee Securities.	57 (20th June to 24th Augt. 1917).	58 (11th Apl. to 24th June 1918).	50 (27th Feb. to 31st Mar. 1920).	42 (1st Nov. to 22nd Dec. 1920).

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FINANCIAL STATISTICS—*contd.*

MISCELLANEOUS—*contd.*

1921-1922.	1922-1923.	1923-1924.	1924-1925.	1925-1926. Revised.	1926-1927. Budget.
43¾ (27th Sept. 1921).	37⅞ (22nd May 1922).	30 1/16 (3rd and 5th Jan., 13th and 14th Feb. 1924).	30 1/16 (9th Oct. 1924)	33 7/16 (8th Sept. 1925).	
32½ (28th Feb. & 2nd Mar. 1922).	30⅝ (15th Dec. 1922).	31 11/16 (13th July 1923).	31⅛ (20th Dec. 1924)	30½ (10th and 22nd March 1926).	
...	1s. 4·448d.	1s. 4·534d.	1s. 6·02·8d.	...	
1s. 3 ·85d.	1s. 3·76d.	1s. 4· 46d.	1s. 5·51d.	1s. 6 3/16 d. (estimate).	
1s. 3½d., 1s. 3¾d., 1s. 8½d., 1s. 4d., 1s. 4½d., 1s. 5d., and 1s. 5½d.	1s. 3½d., 1s. 3¾d., 2s. 3½d., 1s. 4d., and 1s. 4½d.	1s. 4d., 1s. 4¼d., 1s. 4½d., 1s. 5d., 1s. 5½d.	1s. 4½d., 1s. 5d., 1s. 5½d., 1s. 6¼d., 1s. 6d.	1s. 6d., 1s. 6¼d.	
8 (16th Feb. to 31st Mar. 1923).	8 (1st to 26th April 1922 and from 11th Jan. to 31st March 1923).	9 (14th Feb. 1924 to 31st March 1924).	0 (1st April to 9th April).	7 (1st April to 20th May).	
5 (2nd June to 14th Dec. 1921).	4 (6th July to 25th Oct. 1922).	4 (28th June to 14th Nov. 1923).	4 (31st July to 20th Augt. 1924).	4 (3rd July to 27th September).	
7 (1st Apl. to 1st May 1921).	4½ (1st to 12th April 1922).	4 (since 5th July 1923).	5 (5th March).	5 (1st April to 5th August and 3rd December to date).	
4½ (16th Feb. to 31st March 1922).	3 (13th July 1922 to 31st March 1923).	3 (1st April to 4th July 1923).	4 (1st April 1924 to 4th March 1925).	4 (2nd October to 2nd December).	
25,87,45,000 (31st July).	33,19,07,000 (28th July).	29,74,54,000 (20th July).	32,18,07,000 (31st July).	28,06,31,000 (29th May).	
5,34,64,000 (18th Nov.).	8,22,54,000 (10th Nov.).	6,22,69,000.. (6th Nov.).	7,43,63,000 (31st Dec.).	4,29,57,000 (11th December).	
87	88—8	...93—10	94—14	97—4..	
... 78	81—6	.. 87—12	93—14	94—13.	
89	..93—8	.. 98—14	99—8	101—7.	
80	87	93—2	97	98—13.	
62 (30th & 31st May 1921).	61—4 (22nd and 23rd March 1923).	63—3 (8th Mar. 1924).	68—6 (10th July).	73—8 (27th March).	
55-8 (from 11th March 1922).	55—8 (1st to 17th April 1923).	61 (3rd to 5th April 1923).	58—8 (18th September).	67—10 (5th May) .	
58 (31st May & 1st June 1921).	52—8 (22nd and 23rd March 1923).	57—12 (8th Mar. 1923).	62—10 (10th July).	63—14 (25th March).	
47 (1st to 4th April 1931).	47—12 (1st to 18th April 1922).	51—14 (3rd to 5th April 1923.	53—8 (18th September).	57—15 (15th to 18th May)..	

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COMMERCIAL AND

TABLE I—

	1917-1918.	1918-1919.	1919-1920.	1920-1921.
	R	R	R	R
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts.	8,06,95,000 (Apl.)	8,17,24,000 (Mar.)	8,16,74,000 (Apl.)	6,65,19,000 (Apl.)
Minimum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts.	7,47,56,000 (Mar.)	7,24,70,000 (July)	7,43,58,000 (Dec.)	6,13,12,000 (Sept.)
Maximum price in London of 3½ per cent. (Rupee Securities in Gold).	52	54	74	63¾
Minimum price in London of 3½ per cent. (Rupee Securities in Gold).		44	49½	33½
Maximum price in London of India 3½ per cent. Stock.	44¾	74	69¾	61
Minimum price in London of India 3½ per cent. Stock.	69¾	62	54½	51½
Maximum price in London of India 3 per cent. Stock.	61¼	64	60½	53
Minimum price in London of India 3 per cent. Stock.	60½	53¼	47½	43½
Maximum price in London of India 2½ per cent. Stock.	53	53¾	50¼	43
Minimum price in London of India 2½ per cent. Stock.	50	44¼	40	37½
Maximum price in London of 7 per cent. Stock.	45½	...	...	...
Minimum price in London of 7 per cent. Stock.	...	...	...	...
Maximum price in London of 5½ per cent. Stock.	...	...	...	...
Minimum price in London of 5½ per cent. Stock.	...	...	...	...
Maximum price in London of 4½ per cent. Stock.	...	...	...	...
Minimum price in London of 4½ per cent. Stock.	...	...	...	...
Maximum Government Paper Currency outstanding.	1,14,76,87,000 (Oct.)	1,53,46,48,000 (Mar.)	1,85,14,79,000 (Jan.)	1,70,73,89,000 (Apl.)
Minimum Government Paper Currency outstanding.	82,72,35,000 (Apl.)	1,05,96,05,000 (Apl.)	1,53,72,07,000 (Apl.)	1,57,62,82,000 (Sept.)
Number of Post Office Savings Banks .	10,075	10,587	10,670	10,713
Number of accounts in Post Office Savings Banks.	16,37,600	16,77,407	17,60,442	18,77,057
Amount deposited in Savings Banks .	16,58,46,470	18,82,44,749	21,34,84,628	22,86,31,716
Average of each deposit . . .	101·27	112·22	121·26	121·73
Net addition to deposits . . .	—1,66,931	2,23,98,279	2,52,39,787	1,51,37,088

dix IV.

FINANCIAL STATISTICS—*concld.*

MISCELLANEOUS—*concld.*

1921-1922.	1922-1923.	1923-1924.	1924-1925.	1925-1926, Revised.	1926-1927, Budget.
R	R	R	R	R	R
7,80,08,000 (Feb.)	10,50,48,000 (Nov.)	10,80,92,000 (Oct.)	10,20,98,000 (Apl.)	9,48,86,000 (Apl.)	
6,36,30,000 (Apl.)	9,68,19,000 (May)	10,06,94,000 (Mar.)	9,69,30,000 (Mar.)	8,59,40,000 (Sept.)	
42½	39	45	49½	52½	
34½	34	39	45	49½	
63½	69½	72½	69½	68½	
55½	62½	61½	63	63½	
55½	59½	62½	59½	59½	
47½	53½	52½	54	54½	
46½	50½	52½	49½	49½	
39½	44½	44½	45	49½	
108½	119½	124	115½	106½	
102½	108	107½	104½	102½	
94½	102½	105	103½	103	
89½	93½	99	100	99½	
...	88½	93	89½	91½	
...	83½	83½	85½	85½	
1,79,71,40,000 (Oct.)	1,82,26,25,000 (Aug.).	1,86,18,88,000 (Feb.)	1,84,10,40,000 (Mar.)	1,91,77,32,000 (Oct.)	
1,67,31,85,000 (Apl.)	1,71,76,07,000 (Apl.)	1,71,23,35,000 (May)	1,72,40,20,000 (June)	1,73,33,07,000 (May.)	
10,758	10,730	10,535	10,727		
19,58,324	20,43,502	20,89,314	21,64,473		
22,26,24,825	23,19,98,761	24,78,83,170	25,63,94,907		
113·68	113·52	118·64	118·45		
—50,96,891	93,73,936	1,58,84,400	85,11,737		

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